

# **TOBACCO INDUSTRY MONITORING EVALUATION (TIME)**

**REQUEST FOR PROPOSAL**  
**03-75879**

**MARCH 5, 2004**

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**CALIFORNIA DEPARTMENT OF HEALTH SERVICES**  
**TOBACCO CONTROL SECTION**  
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State of California—Health and Human Services Agency  
**Department of Health Services**



**ARNOLD SCHWARZENEGGER**  
Governor

March 5, 2004

TO: PROSPECTIVE PROPOSERS

SUBJECT: REQUEST FOR PROPOSAL (RFP) 03-75879,  
TOBACCO INDUSTRY MONITORING EVALUATION (TIME)

Enclosed is RFP 03-75879 entitled **“Tobacco Industry Monitoring Evaluation.”** The purpose of this RFP is to seek one contractor to:

- track and analyze tobacco industry activities in California, and
- provide the California Department of Health Services, Tobacco Control Section (CDHS/TCS) and its tobacco control projects with timely reports of significant changes in tobacco industry activities so that the programs can respond quickly to counter them and develop policy actions.

The enclosed RFP specifies eligibility, statement of work, submission requirements, and tentative timelines. Please read the RFP carefully as this is an open competitive process and proposals must comply with all RFP instructions to be reviewed.

**Proposals are due in the CDHS/TCS office by Monday, April 19, 2004, no later than 5 p.m.**

The complete RFP and all required forms are also available on the CDHS/TCS website: <http://www.dhs.ca.gov/tobacco> under “Request for Applications/Proposals.”

Additionally, the Policy Section of the CDHS/TCS Competitive Grantees Administrative and Policy Manual is available on the website to assist potential proposers in preparing proposals.

In this procurement, prospective proposers are asked to voluntarily submit a non-binding Letter of Intent. See the RFP for detailed Letter of Intent submission instructions. Also, you may attend the scheduled RFP Information Meeting.

Prospective Proposers  
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Please bring a copy of the RFP with you to the Information Meeting. Answers to questions about the RFP will be provided only at the Information Meeting. Phone calls for programmatic technical assistance in preparing the proposal will not be accepted.

**RFP INFORMATION MEETING**  
**Thursday, March 18, 2004**  
**1:30 p.m. – 5:00 p.m.**  
**Department of Health Services**  
**Tobacco Control Section**  
**1616 Capitol Avenue**  
**Feather River Room, 5<sup>th</sup> Floor, Room 74.551**  
**Sacramento, CA 95814**

Directions to CDHS/TCS and parking information are on the CDHS/TCS website at [www.dhs.ca.gov/tobacco](http://www.dhs.ca.gov/tobacco). If anyone attending the bidders' conference requires special accommodations, such as for the hearing impaired, please call Bill Mills, Contract Manager, Administrative and Contract Support Unit, TCS, at (916) 449-5475 by March 12, 2004.



Dileep G. Bal, M.D., Chief  
Cancer Control Branch

Enclosure

cc: Tobacco Education Research Oversight Committee Members

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## I. INTRODUCTION

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### A. PURPOSE

Through this Request for Proposal (RFP), the California Department of Health Services, Tobacco Control Section (CDHS/TCS), is seeking a contractor to conduct the Tobacco Industry Monitoring Evaluation (TIME) during the period July 1, 2004 through June 30, 2007. The purpose of this evaluation is to identify, quantify, and strategically analyze tobacco industry activities in California, and to provide CDHS/TCS and its tobacco control projects with timely reports of significant changes in these activities so that the California Tobacco Control Program (CTCP) can respond quickly to counter the new developments and develop policy actions.

Funding for this RFP is made available pursuant to California Health and Safety Code Section 104375, which requires CDHS/TCS to conduct an evaluation to monitor the progress and effectiveness of the CTCP.

### B. TOBACCO INDUSTRY MONITORING IN CALIFORNIA

Evaluation has remained an important component of the CTCP since its inception. One of the four overarching objectives of the program-wide evaluation (Independent Evaluation) was to monitor change in tobacco industry advertising and promotional activities in California, and, where similar data were available, compare these activities to those in other states. CDHS/TCS has funded tobacco industry monitoring since 1996.

The communicable disease model illustrates the surveillance efforts of the TIME project, which focus on the practices of the Vector (i.e., the tobacco industry) versus the Host (smoker/chewer), the Environment (social, family, political, media, etc.), or the Agent (tobacco products). Unlike other surveillance systems funded by CDHS/TCS, the TIME project has a very close and collaborative relationship with statewide and local tobacco control projects involved in monitoring tobacco industry sponsorships, and with the California Attorney General's (AG) Office. TIME data is critical to the prosecution of violations against state tobacco control laws and the provisions of the national tobacco Master Settlement Agreement (MSA) and Smokeless Tobacco MSA (STMSA), which settled the multi-state lawsuits against the tobacco manufacturers (for more information, see Appendix I).

Data from the TIME project is used in the development of local campaigns and anti-tobacco sponsorship activities. The TIME project specifically coordinates with Project SMART Money (Project Sponsorship Mission: Avoid Reliance on Tobacco), a partnership among CHDS/TCS, the California AG's office, university researchers, and community level programs with the goal of empowering California's diverse events and organizations to reject tobacco industry support.

Results of Project SMART Money (PS\$) include the adoption of over 465 organizational policies statewide and several legal judgments against, and settlements with, the tobacco companies.

Tobacco marketing in California has gone through several changes over time. As a result of the 1998 MSA, tobacco billboards have been removed and the number of tobacco-sponsored events has substantially declined. To compensate for these losses, the tobacco industry has greatly increased its advertising and promotions in retail outlets and ads in magazines for young adults. Although the number of tobacco-sponsored events in California has decreased, the remaining sponsorships are for events with large attendance and extensive television coverage. These marketing outlets are technically legal, but push the boundaries of the MSA, STMSA, and state tobacco control laws and regulations to reach a young audience. Youth are exposed to banners and other promotional visuals at televised races and rodeos. Young adults engage in sampling at venues such as bars and fraternities, where their judgment may be compromised by alcohol. Promotional events in bars, clubs, and fraternities continue to expand in new areas. Highlights of several key categories of tobacco marketing follow:

- **Print Advertising:** Tobacco advertising prevalence is relatively high in national magazines with high California readership, about 3.1 pro-tobacco ads per issue. Tobacco advertising has increased slightly in California newspapers, from an overall mean of 0.3 ads per issue in 1997 and 0.3 in 1998 (no change) to 0.7 in 1999. In the past, newspapers represented a very small part of overall advertising expenditures for tobacco corporations. However, newspaper advertising increased between 1996 and 1999, largely due to the increase in tobacco-sponsored bar and club advertisements in weekly entertainment newspapers (*Final Report of the Independent Evaluation of the California Tobacco Control Prevention & Education Program: Waves 1, 2, and 3, 1996-2000, hereafter called "Final Report"*). Some ethnic audience newspapers have had higher ad rates than general audience newspapers; for example, in 2002 there were 0.8 ads per issue in Asian American newspapers compared to 0.1 ads per issue in general audience papers (*TIME*, 2003). *TIME* currently surveys approximately 20 magazines (primarily national magazines with large California readership) and approximately 11 to 12 newspapers reaching general and ethnic audiences.
- **Tobacco-Sponsored Events:** The *TIME* project identifies a representative sample of all the tobacco-sponsored events throughout the state during the calendar year. This sample is carefully chosen to cover events that have had documented violations in the past, events that may have had violations, events that have not been observed before, and events representing different categories, such as racing, rodeos, fairs, and community or cultural events. Because representatives from local tobacco projects conduct event observations in addition to *TIME* staff, the *TIME* project provides the calendar of events to all local tobacco projects and coordinates closely with them.

In 1999, there were 297 tobacco-sponsored public events in California. In 2001, there were 65 events, mainly rodeos that tend to draw a substantial number of youth. Numbers of events declined primarily because sponsorships have been consolidated to a few large brand name sponsorships, predominantly in auto racing and rodeos. Event observation data from 2001 indicates that most of the active tobacco marketing took place at brand-sponsored, rather than corporate-sponsored events, with the major form of promotion involving advertising in the event programs (65 percent of events), banners (65 percent), large signs or billboards (51 percent), or scoreboards (42 percent) (*TIME*, 2002). Also, corporate sponsorships have been substituted for several brand-name sponsorships—a continuing trend (*Final Report*).

Corporate giving is a different form of tobacco sponsorship used to influence public opinion. The tobacco industry has used the MSA and various public relations efforts, attempting to convince the public that they have become the model of corporate responsibility. The industry has showcased donations to various “worthy causes” such as disaster relief, domestic violence, hunger, and the arts, giving the appearance of underwriting critically needed programs and services in a manner similar to major foundations -- often spending more on advertising the donation than on the donation itself. In essence, the tobacco industry is attempting to buy the respect of the public. Also, the close association of tobacco with significant events and rituals of many ethnic communities and the tobacco industry’s long history of providing economic support to some ethnic groups may undermine tobacco prevention and control efforts in those communities. The tobacco industry has become more creative in finding avenues for advertising and inroads into community acceptance; therefore, tracking these activities and communicating findings to the field are critical to CDHS/TCS.

- **Bar, Club, Fraternity, and Adult-Only Promotions:** In 1999, 520 bars in urban areas promoted tobacco-sponsored bar and club nights with weekly ads, and in 2000 the number declined to 420 bars. These types of promotions are emerging in smaller communities and rural areas (*Final Report*). Bar nights are still occurring, but are not necessarily advertised, which makes them more difficult to monitor. In 2003, *TIME* documented 329 advertisements for bar nights, of which 237 (72 percent) were sponsored by United States Smokeless Tobacco (USST). Sponsorship of fraternity events is another emerging activity, and difficult to track because they are private, non-advertised events. The *TIME* project documented 37 fraternity events in 2003, all of which were sponsored by USST. Lastly, promotions at adult-only facilities, such as booths at rodeos and races, are legal but occur at venues that also attract youth and families. In 2003, *TIME* collected event observation data from 43 adult-only events, and USST sponsored 41 of the 43 events (95 percent). Event observations indicate that many of these facilities are in view of young people, who are particularly susceptible to these enticing types of promotional tactics. The tobacco companies distribute product samples at the three types of

adult-only venues (bar/club, fraternity, and adult-only facility); if age verification is not uniformly enforced, tobacco products could be distributed to youth in violation of the MSA, STMSA and/or state tobacco control laws and provide promotional advantage to the sponsor.

- **Movies:** Reducing tobacco use in movies is critical to reducing tobacco use among young people. A longitudinal study carried out by a team of scientists at Dartmouth from 1998 to 2003 suggests that up to 52 percent of the initiation of tobacco use among adolescents is directly attributable to tobacco use in movies (*Dalton and Sargent, 2003*). Since 1994, the “Thumbs Up, Thumbs Down” (TUTD) project in California has been analyzing tobacco depiction in movies. One analysis indicates the average incidence of tobacco use per hour in the top 50 movies of the year was nearly 13 in 1994. From 1999 to 2001, the number had dropped to eight to nine incidents per hour, but has been climbing steadily to an average of 12 incidents per hour in 2003 (*Thumbs Up, Thumbs Down, 2004*).

The TUTD project recruits and trains youth to analyze the top 50 domestic box office movies each year. Each movie is reviewed a minimum of three times for the amount and type of tobacco being used, who is using it, where it is used, brand use, and perceived messages resulting from use. Many local programs and individuals use the large database of over 600 movies to develop media advocacy programs, advocate for voluntary movie theater policies, advocate for changing the movie rating system, promote the use of school curriculum on critical viewing skills, and encourage articles by movie critics that point out the findings. The funding for the TUTD project will end in June 2005, and the movie surveillance activities will be incorporated in the TIME project.

- **Retail Outlets:** Historically, tobacco companies have kept their products highly visible and easily accessible to customers. In the wake of California law banning self-service displays of cigarettes, the number of in-store advertising and outside banners, signage, etc., that feature brand names and prices of cigarettes has dramatically increased. One factor that has influenced this change is the growth in slotting fees or various types of trade promotions to retailers by the tobacco companies. Buy downs are payments made to retailers, either in cash or as off-invoice allowances, to encourage the retailer to reduce the price of tobacco products currently held in inventory. A discounted price is then passed on to the consumer. Trade promotions also take other forms (e.g., free products and display cases), but all are used in one way or another to try to influence retailers to give certain brand products desirable display locations, competitive prices, visible advertising, or other assistance at the point of sale (*The Role of Slotting Fees and Trade Promotions in Shaping How Tobacco is Marketed in Retail Stores, Paul Bloom, 2001*).

Retail value added (e.g., advertising, retail offers, etc.) accounted for 42.5 percent of tobacco industry advertising and promotional expenditures in 2001



(*Federal Trade Commission*). Retail advertising of tobacco products remains very high, with an average of 25.0 materials per store in 2002 (*TIME*, 2003). On the other hand, compliance with signage provisions of the Stop Tobacco Access to Kids Enforcement (STAKE) Act still remains low. In 2003, 51.8 percent of stores displayed the STAKE Act sign, up from 32.4 percent in 2001 (*Final Report*). Currently, the TIME project observes approximately 190 to 200 retail outlets statewide per year.

- **Direct Mail:** Materials aimed directly at individual smokers, through direct mail and promotional catalogues and magazines published by tobacco companies, are becoming more common. A total of 121 booklets, catalogues, and other printed promotional materials were collected from January 1999 to June 2000 in California. After omitting duplicate titles of the same type of material, 60 distinct direct mail items remained. Analysis of these 60 items revealed that while 85 percent of direct mail materials claim to have age restrictions, only half of these materials actually requested age verification to receive the materials (*Final Report*). This is another avenue through which tobacco advertising and promotions can reach underage individuals.
- **Tobacco Industry Health Claims and Communications:** The tobacco industry, recognizing that sales of cigarettes are being hurt by the public's awareness of the health risks known to be associated with use of cigarettes, surprisingly now mimic legitimate health claims on their web sites and other communications (e.g., smoking increases the risk of cancer, how parents can talk with their children about not smoking). The tobacco companies would like to be able to market new products that have been officially recognized as safer or less harmful to use than the cigarettes they now sell. Claiming that the most health-threatening aspect of tobacco is exposure to the smoke, and that there is no safe cigarette, companies that produce smokeless tobacco promote their products as a safer alternative to cigarettes. The pharmaceutical industry also wants to be permitted to develop and market currently unavailable "clean" nicotine maintenance or "therapy" products, such as nicotine nasal spray, inhalers, and lozenges, that can deliver nicotine at least as efficiently and satisfyingly as cigarettes. These businesses are not only generating messages for the general public, but are also lobbying tobacco experts and advocates to support the harm reduction approach.
- **MSA Violations:** As part of the statewide data collection effort, local tobacco programs send representatives to conduct event observations (including photographs) and forward the documentation to TIME. TIME compiles the information, screens event and print advertising data for violations of the MSA, STMSA and/or state sampling laws, and refers probable violations to the AG's Office. The AG's staff periodically meets with tobacco industry representatives to present evidence of violations exposed by the observations, and they have brought and won lawsuits regarding sampling and signage.

TIME submitted a total of 194 probable violations to the AG's Office in 2003.  
The following table provides a breakdown by type of event or print advertising:

<b>Event/Print Media</b>	<b># of Probable Violations</b>	<b>% of Total</b>
SCENE magazines	56	29%
Pro Rodeo Cowboys Association	30	16%
NASCAR races	30	16%
Pro Bull Rider magazine	19	10%
Pro Rodeo Sports News magazines	18	9%
Supercross	15	8%
National Hot Rod Association	12	6%
Arenacross	7	3%
Championship Auto Racing Team	4	2%
Adult-Only Facilities	3	1%
	Total: 194	100%

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## II. STATEMENT OF WORK

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### A. CORE PROJECT COMPONENTS AND WORK REQUIREMENTS

The TIME project shall assess tobacco industry activities, including culturally specific activities, that promote or suggest approval of tobacco use by tracking and analyzing the tobacco industry sales, advertising, promotional, and public relations modalities outlined in the Core Project Components below. Monitoring activities are to include tracking and analyzing advertising and promotions for cigarettes, smokeless tobacco, and other nicotine-containing products marketed by tobacco companies. Data collection instruments and protocols should be consistent with those previously used to ensure comparability with data from previous years, but need also to be sensitive to new trends. Analyses should, wherever possible, be compared to national datasets, other forms of advertising, or contrasted with other accepted standards. Analyses should also address the impact of tobacco marketing on tobacco control programs.

1. **Print Advertising:** determine the frequency, reach, concentration, and characteristics of tobacco advertising and promotions in national magazines with high readership in California and in selected California newspapers in order to provide a picture of tobacco industry advertising practices targeting various populations and population centers. Purchased secondary data may provide tobacco-advertising expenditures per magazine and newspaper. Analysis should compare California to national tobacco advertising efforts, where appropriate.
2. **Sponsorship:** identify the number, type, reach, and characteristics of cultural, sports and entertainment events (e.g., bar/club-sponsored events or activities) statewide that have tobacco industry presence or sponsorship, and level of corporate donations. Track the characteristics and context of sampling promotions conducted by the tobacco industry. Prepare a list of all the tobacco-sponsored events throughout the state during the calendar year and provide to local tobacco programs. Variables of interest and data collection forms should be updated in collaboration with PS\$ and CDHS/TCS in order to monitor changing practices of the tobacco companies. In addition to summary tables, analysis could look at attendance of youth and adults at sponsored events and the extent to which the general population is exposed to promotions through these various events, using summaries across datasets.
3. **Direct Mail:** identify the frequency, types, and themes of direct mail (e.g., catalogue merchandising) tobacco marketing, and promotional activities statewide. To the extent possible, determine the audience for direct mail, how the tobacco industry creates its mailing lists, and how it tailors messages.

4. **Point-of-Sale and Store Advertising:** determine the extent of in-store point-of-sale tobacco advertising, tobacco merchant education programs (such as, “We Card”), tobacco advertising/signage outside stores, the price of tobacco products, and the proximity of the advertising to youth-centered facilities such as schools, parks, and recreational facilities. Data collection methods should be comparable with current methods, while adding measures that are sensitive to changing tobacco industry strategies.
5. **Slotting Fees and Buy Downs:** conduct a one-time study to determine the average slotting fee paid to retailers to display tobacco products, trends in retailer incentive programs, and the extent of buy downs in various store types.
6. **Tobacco Industry Health Claims and Communications:** determine the extent, reach and nature of tobacco industry health claims, and promotion of products that carry a claim of reduced harm. Data collection should include communications through various media to adults in the general population and to policy makers.
7. **Tobacco Use and Brand Placement in Movies:** report and update current knowledge of the frequency of tobacco use and brand placement in movies, based on primary data collection, literature and other reviews.
8. **MSA Violations:** monitor and screen potential violations of the MSA and STMSA in California by tobacco companies, and coordinate with the AG's Office, Tobacco Litigation Unit, to provide documentation of probable violations of the Tobacco MSA, STMSA, and/or other state tobacco control laws.
9. **Targeted Marketing:** determine which tobacco companies use marketing activities (print advertising, event sponsorship, and direct mail) that appear to be directed at specific populations in California (e.g., gender, age, ethnicity, sexual orientation, youth).
10. **Tobacco Marketing Themes:** identify the major themes found in tobacco advertising and promotions in California.
11. **Coordination/Collaboration:** implement a system for linking the California AG's Office and all CDHS/TCS-funded projects working on tobacco marketing and promotions for sharing information on industry activities. Provide technical assistance to any CDHS/TCS-funded agency requesting it.
  - a. The Contractor shall coordinate its work and collaborate with other CDHS/TCS contractors that are addressing tobacco industry advertising and promotions. Project staff will participate in the Point-of-Sale Workgroup and the PS\$ Steering Committee and Workgroup as they relate to respective Core Project Components.

- b. The Contractor shall notify CDHS/TCS contractors of events and venues that may involve tobacco industry advertising, sponsorships or promotions, and will recruit Local Lead Agency (LLA) staff or coalition members to conduct standardized event observations.
- c. The Contractor shall provide technical assistance to CDHS/TCS contractors regarding tobacco advertising and promotion, data collection methods, and findings addressing tobacco advertising and marketing issues.

The Core Project Components are not equal in terms of breadth, depth, or needed resources. The Core Project Component, Coordination/Collaboration, to a great extent is incorporated in the other components. CDHS/TCS has **estimated** the proportion of the total project resources anticipated to be directed toward the following Core Project Components:

<u>Monitoring</u>	<u>Estimated %</u>
Sponsorships	25-30%
Point-of-sale and store advertising	15-25%
Movies	15-25%
Print advertising and direct mail	6-8%
Slotting fees and buy down study	5-8%
Health claims and communications	3-5%
MSA violations	2-3%
 <u>Analysis (often across datasets)</u>	
Targeted marketing	7-10%
Tobacco marketing themes	7-10%

Experience has shown that the tobacco industry shifts advertising and promotional activities from one form to another over time. The Contractor needs to propose adjustments to the Scope of Work (SOW) based on the changing environment related to tobacco industry advertising and promotions. Any changes to the Core Project Components or SOW require prior approval from CDHS/TCS.

## **B. REPORTS AND DELIVERABLES**

The proposal should describe a plan for the development and delivery of products. It is the intent of CDHS/TCS that the efforts by the Contractor will result in products that have great utility to users. Therefore, the data collected, and the products under this contract, will not be proprietary information to the Contractor; they will belong to the State for public use. The proposal should describe the plan for preparation of the deliverables, the contents, and the timetable of the deliverables. The minimum requirements for deliverables of the contract follow:

1. **Data Collection and Technical Documents:** The Contractor will be required to deliver to CDHS/TCS all documentation, data collection instruments, data collection protocols, and datasets in a format which can be readily understood and used by researchers and persons with statistical expertise for analyses and evaluation purposes. Technical documents must be delivered to CDHS/TCS in final form. The Contractor must expressly agree not to release any data publicly or in response to subpoenas or legal disclosure until all deliverables are accepted by CDHS/TCS as satisfactory.

#### Instruments

- a. Existing instruments: The TIME data collection instruments and protocols should be consistent with previously-used data collection instruments and protocols to ensure comparability with data from previous years.
  - b. New instruments: For items for which there are no previously-developed instruments, new instruments will be developed in collaboration with CDHS/TCS and pilot-tested for validity and reliability before implementation.
2. **Technical Reports:** Reports must be systematic, timely, and of high utility to users (e.g. Corporate Giving, Year in Sponsorship, Local Sponsorships Policies Index). Wide dissemination of the reports necessitates sophisticated analytic techniques and professional writing capability. Reports should be submitted in final form on a regular, periodic basis. When reports are approved by CDHS/TCS, the Contractor is encouraged to submit papers for scholarly publication of findings. All publications must comply with all conditions of the Intellectual Property Rights language (see Appendix C).
  3. **Public Access to the Database(s):** It is the intent of CDHS/TCS that the final database(s) produced by this contract be readily available and used not only by CDHS/TCS but also other researchers for analyses and scholarly research. It is the intent of CDHS/TCS that the dataset, documentation, and technical report become available to researchers when it is accepted by CDHS/TCS.
  4. **Progress Reports:**
    - a. The Contractor will forward a cumulative file of collected data (dataset) in final form to CDHS/TCS every six months and whenever information critical to the program is collected.
    - b. The Contractor will submit written progress reports describing the progress made in completing the work and meeting the established timelines every six months using a format provided by CDHS/TCS so that CDHS/TCS can monitor the performance of the contract.

### **C. RAPID INFORMATION DISSEMINATION**

The Contractor must be capable of implementing a mechanism, such as listserves, to quickly inform CDHS/TCS contractors in the field of tobacco industry practices of interest. This includes timely dissemination of brief reports to the field.

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### **III. BACKGROUND**

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#### **A. LEGISLATIVE AUTHORITY**

In November 1988, California voters approved the Tobacco Tax and Health Protection Act of 1988, also known as Proposition 99 (Prop 99). This referendum increased the state cigarette tax by 25 cents per pack and added an equivalent amount on other tobacco products. The new revenues were earmarked for programs to reduce tobacco use, to provide health care services to indigents, to support tobacco-related research, and to fund resource programs for the environment. Twenty percent of Prop 99 funding is deposited into the Health Education Account (HEA), which funds both community and school health education programs to prevent and reduce tobacco use. CDHS/TCS and the California Department of Education (CDE) jointly administer the HEA, and currently CDHS/TCS receives approximately two-thirds of the HEA Account. With this funding, CDHS/TCS provides funding for 61 LLAs, competitively selected community-based organizations, a statewide media campaign, and an extensive evaluation of the entire CTCP. CDE administers school-based funding to grades four through eight based on an allocation, and to high schools through a competitive grant program.

The enabling legislation for Prop 99 includes Assembly Bills (AB) 75 (Chapter 1331, Statutes of 1989), AB 99 (Chapter 278, Statutes of 1991), AB 816 (Chapter 195, Statutes of 1994), AB 3487 (Chapter 199, Statutes of 1996), Senate Bills (SB) 99 (Chapter 1170, Statutes of 1991), SB 960 (Chapter 1328, Statutes of 1989), SB 493 (Chapter 194, Statutes of 1995); the annual State Budget; the Health and Safety Code, Sections 104350-104480, 104500-104545; and the Revenue and Taxation Code, Sections 30121-30130. The enabling legislation, the various codes and the annual State Budget provide legislative and funding authority for programs administered by CDHS/TCS to:

- Conduct health education interventions and behavior change programs at the state level, in the community and other non-school settings.
- Apply the most current research and findings.
- Give priority to programs that demonstrate an understanding of the role that community norm change has in influencing behavioral change regarding tobacco use.

#### **B. CALIFORNIA'S TOBACCO CONTROL PROGRAM**

From its inception in 1989, the California Tobacco Control Program has used a comprehensive approach designed to change social norms toward non-acceptance of tobacco use. To achieve this, the CTCP conducts policy, media, and program interventions using multiple channels and multiple targets.



This section provides some background for the four CTCP priorities and summarizes the six types of program interventions.

## **1. Program Priorities:**

The CTCP has maintained constancy of purpose by setting four broad program priorities. The priorities and their rationale are discussed below:

### **a. Counter Pro-Tobacco Influences in the Community**

Tobacco industry advertising and promotions are major social and economic forces aimed at promoting tobacco use. This remains true despite the 1998 tobacco MSA with the tobacco companies. Eliminating tobacco industry influence in local communities remains one of the highest priorities for CTCP. The tobacco industry continues to invest increasingly large expenditures on advertising and promotional campaigns each year. As a result, Californians are exposed to very high levels of tobacco advertising, which both stimulate adult consumption of cigarettes and increase the risk of youth initiation. Tobacco companies sponsor and strategically target specific community events, such as, rodeos, festivals, concerts, and ethnic-specific cultural events to create the perception that the use of tobacco is condoned by those events and is glamorous, social, and normal.

Counter-marketing strategies can have a powerful influence on public support for tobacco control and set a supportive climate for school and community-based efforts. Counter-marketing activities can decrease the likelihood of smoking initiation. The TIME project is critical to providing current information so that local tobacco control programs can plan and implement strategies that counter pro-tobacco influences in the community.

Tobacco control strategies in this priority area involve tracking and reporting industry violations of the provisions of the tobacco MSA; enacting local policies to reduce exposure to tobacco advertising and promotions; creating alternative sponsorship opportunities; and countering efforts to block or weaken regulation of tobacco or policies already in place.

### **b. Reduce Exposure to Secondhand Smoke (SHS) and Increase the Number of Smoke-Free Public Spaces, Worksites, Schools, and Communities**

The risks of tobacco use extend beyond the actual user. Exposure to SHS increases nonsmokers' risk for lung cancer and heart disease. Among children, SHS is also associated with serious respiratory problems, including asthma, pneumonia and bronchitis, Sudden Infant Death Syndrome, and low birth weight. Protecting California workers and the public from the effects of SHS and helping large numbers of smokers to get

the environmental support they need to quit smoking remains a high priority for CTCP.

The tobacco control literature shows that where there are strong policies that protect people from the effects of SHS, there is a drop in smoking prevalence. This cause and effect relationship has been substantiated on a large scale by the California experience. Since 1988, per capita cigarette consumption has declined more than 60 percent in California. The average daily cigarette consumption reported by everyday smokers was 15.1 cigarettes per day in 2002, a 16 percent decline from 1994. Additionally, the proportion of current smokers who are considered light or non-daily smokers has steadily increased in California.

In 1994, the California State Legislature enacted the Smoke-Free Workplace Act, AB 13 (Labor Code Section 6404.5). This law prohibited smoking in most enclosed worksites with limited exemptions. In January 1998, the second phase of Labor Code 6404.5 extended the no smoking policy to bars, taverns, and gaming clubs. Consistent education and enforcement has been and will continue to be critical to the continued success of Labor Code 6404.5.

Outdoor smoke-free areas and indoor areas not covered by Labor Code (e.g. apartments, condominiums) are the next wave of tobacco control activities in California. Public polling has consistently shown strong support for smoke-free outdoor areas including entertainment venues, doorways, and parks. In 2001, AB 188 (Health and Safety Code Section 104495) was signed into law, establishing smoke-free playgrounds and tot lots. In 2002, the law was extended to smoke-free boundaries within 25 feet of playgrounds (AB 1867). On January 1, 2004, another law protecting Californians took effect: AB 846 (Government Code Sections 7596-7598), which prohibits smoking within 20 feet of doorways in buildings owned or leased by the state, counties, and municipalities.

c. Reduce Availability of Tobacco Products

Overall, California has seen a significant drop in the rate of illegal tobacco sales, down from 52.1 percent in 1994 to 12.2 percent in 2003. Despite this drop, more work remains to be done. Certain types of stores continue to sell tobacco illegally at high rates. In 2003, deli, meat, and produce markets sold to minors 26.7 percent of the time, while pharmacies, donut shops, and discount “dollar” stores sold tobacco to minors 19.9 percent of the time. According to the 1999 California Tobacco Survey, nearly half of adolescents age 12-17 who have never smoked still report they would have no problem obtaining tobacco products either by purchasing them or through friends and family. Continued interventions are needed to monitor and control the situation.

The CTCP conducts a comprehensive campaign called the Strategic Tobacco Retail Effort (STORE) Campaign to address the problem of marketing to youth and youth access to tobacco products. The STORE campaign promotes local policy action to restrict and enforce tobacco sales and marketing practices, increase enforcement of existing laws, and advocate that the federal government grant state and local governments the authority to regulate tobacco advertising and promotions. Campaign efforts include: enforcement of the STAKE Act and Penal Code Section 308(a), tobacco retailer licensing, and tobacco self-service display policies. Furthermore, tobacco retailers are required to post STAKE Act signs at each point-of-sale. Continued monitoring of STAKE Act signage remains an important activity, as nearly half of California's retailers (49.2 percent) do not have the STAKE Act warning signs posted (*2003 Youth Tobacco Purchase Survey*).

d. Increase Availability of Cessation Services

Smoking cessation is a complex, often extended process. It starts with an individual contemplating the decision to quit and proceeds to, in most cases, several repeated quit attempts until they are successful. As social norms shift away from the acceptability of smoking, they influence the level of motivation to quit across the entire population of smokers, and motivate more smokers to quit on their own. In this context, cessation is the outcome rather than the intervention. While recognizing that 90 percent of former California smokers report quitting on their own, CDHS/TCS continues to fund some direct cessation programs. Free tobacco cessation assistance, including multiple-session telephone counseling, is available for adults and teens from the California Smokers' Helpline. The smoking cessation counseling is available in English, Spanish, Vietnamese, Korean, Mandarin, and Chinese.

Also, CDHS/TCS funds several competitive grants to promote the use of cessation services through a systems approach. This includes working with pharmacies, health maintenance organizations, and healthcare providers to improve their capacity to offer culturally and linguistically appropriate cessation services. Additionally, the statewide public relations campaign released a communication outreach kit for use by contractors to promote quitting through the media, newsletter, promotional events, etc.

2. **Program Interventions:**

The scope of the CDHS/TCS health education campaign is addressed in the Health and Safety Code, Part 3, Chapter 1, commencing with Section 104350. These statutes authorize CDHS/TCS to fund a variety of innovative approaches to reduce tobacco use, including funding for: local health departments, competitively selected community agencies, a statewide media

campaign, and an extensive evaluation of the entire CTCP. The following is a short description of these programs:

- a. Local Health Departments: Each of California's 58 counties and three city health departments are designated as "Local Lead Agencies" (LLAs). Considered the lead tobacco control agency at the local level, each LLA is responsible for coordinating information, referral, outreach, and education activities within their respective health jurisdiction. LLAs involve community coalitions in developing strategic community plans to change social norms using a wide range of education, information, policy, and prevention activities. LLAs take the lead on local community policy development, facilitation of enforcement of tobacco control laws and local provision of tobacco cessation services.
- b. Community-Based Grants: Approximately 60 community-based agencies are funded to implement programs designed to reach local ethnic groups, youth, college students, labor groups, etc. These projects conduct grass roots advocacy and education campaigns that focus on changing community norms around tobacco use.
- c. Statewide Projects: CDHS/TCS funds a variety of projects to create statewide impact and to provide technical assistance and training to support local programs. These projects include: provision of tobacco cessation services free of charge; an educational materials clearinghouse; education and advocacy work around smoke-free bars; education and outreach to key opinion leaders and labor; and technical support related to adoption of local policies.
- d. Ethnic Networks: CDHS/TCS funds four statewide ethnic network projects that address California's African-American, American-Indian, Asian and Pacific Islander, and Hispanic/Latino populations. Through their statewide advisory committees and membership they conduct culturally specific educational and advocacy campaigns, address tobacco cessation through creating system-level changes, administer a mini-grant program, and provide technical support to the State, LLAs, and community-based organizations on how to effectively reach and work with California's multicultural population. Beginning July 1, 2004, the CDHS/TCS Ethnic Network projects will end and an expanded effort to address multiple high-risk populations through the California Priority Population Partnership grants will begin. CDHS/TCS is currently soliciting for statewide projects to address African-American, American-Indian, Asian and Pacific Islander, Hispanic/Latino, gay, lesbian, bisexual, transgender, labor, and low socio-economic status population groups.
- e. Statewide Media Campaign: Probably the most visible of all of CDHS/TCS's programs, the statewide media campaign consists of both

advertising and public relations campaigns, including linguistically and culturally relevant ethnic-specific campaigns. The statewide media campaign utilizes hard-hitting paid advertising and public service announcements (television, radio, billboards, transit, and print) with thought provoking messages to effectively communicate the dangers of tobacco use, SHS, and the tobacco industry's manipulative marketing ploys, throughout California's ethnically diverse communities. The public relations portion of the statewide media campaign includes communication planning and implementation, media relations and advocacy, technical assistance to local programs, grassroots coalition building, promotional event development, news conference coordination, media alerts and press releases, and branding and image development.

- f. Data Analysis and Evaluation: This component of the tobacco control effort tracks adult and youth tobacco use prevalence by conducting year-round telephone surveys. These surveys also provide information about public opinion and knowledge related to tobacco use, which enables the other tobacco control components to more appropriately target their education and media outreach. Additionally, both in-house and independent evaluations of all tobacco control components are conducted to monitor progress toward reaching program goals and objectives, and to determine which strategies are most effective in reducing tobacco use.

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## **IV. GENERAL PROPOSAL INFORMATION**

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### **A. WHO MAY APPLY**

1. Any public or private entity capable of conducting evaluations of this type and magnitude are eligible to apply for these funds.
2. State of California agencies, other than state universities, colleges, and community colleges, are not eligible to submit proposals.
3. Proposers may apply for these funds as a single agency or as a consortium of agencies. The consortium proposal is to consist of a primary contractor responsible for overall administration, coordination of the project, and one or more subcontractors.
4. Any agency, with the exception of universities and colleges, that receives funding from, or has an affiliation or contractual relationship with a tobacco company, any of its subsidiaries or parent company during the term of the contract, is not eligible for funding under this RFP. Agency certification to this effect is required on Attachment 6. See Appendix B for a partial list of tobacco company subsidiaries.

With regard to universities and colleges, any Principal Investigator who within the last five years from the start date of the contract period, or during the term of the contract, receives funding from, or has an affiliation or contractual relationship with a tobacco company, any of its subsidiaries or parent company, is not eligible for funding under this RFP. The Principal Investigator's certification to this effect is required on Attachment 6.

### **B. CONTRACT PERIOD AND FUNDING LEVELS**

1. A maximum of \$1.5 million is estimated to be available for this RFP. A contract will be awarded for a thirty-six (36) month period beginning July 1, 2004 and ending June 30, 2007. Proposals submitted must include a contract period for the entire 36 months.
2. Funding for this contract is dependent upon the availability of revenues from the Cigarette and Tobacco Surtax Fund and future legislative appropriations. If there are changes in the legislative mandates, court action, or other administrative changes affecting the project, the SOW shall be changed to comply with these actions. The contract may be terminated by CDHS/TCS upon a 30-day notice to the prime contractor.

### **C. RESERVATION OF RIGHTS**

1. CDHS/TCS reserves the right to fund any or none of the proposals submitted in response to this RFP.
2. CDHS/TCS may waive any immaterial deviation in any proposal. The CDHS/TCS waiver of any immaterial defect(s) shall not excuse a proposal from full compliance with the contract terms if a contract is awarded. There is no guarantee that receiving a passing score (109 points or greater) will result in a contract award.
3. CDHS/TCS reserves the right to withdraw the award if an acceptable SOW, Budget, Budget Justification, and other CDHS/TCS required forms are not received by CDHS/TCS within 45 calendar days of being negotiated by CDHS/TCS and the awardee.
4. CDHS/TCS reserves the right to withdraw the award or negotiate the SOW and budget of any proposed service or activity or proposed project components.
5. Expenses associated with preparing and submitting a proposal are solely the responsibility of the agency and will not be reimbursed by CDHS/TCS.
6. The awardee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this grant for the acquisition, operations, or maintenance of computer software in violation of copyright laws.

### **D. CONTRACT TERMS AND CONDITIONS**

Contract conditions will include the: 1) Standard Agreement form, 2) SOW, 3) Budget and Payment Provisions, 4) General Terms and Conditions (GTC 304). View or download at the Internet site: <http://www.ols.dgs.ca.gov/Contracting&Info/default.htm>, 5) Special Terms and Conditions, and 6) Additional Provisions, and other contract conditions that will be provided to the awardee prior to contract negotiations.

In addition, note the following:

#### **Intellectual Property Rights**

The State shall be the owner of all rights, title, and interest in, but not limited to, the copyright to any and all Works created, produced, or developed under a contract awarded from this RFP, whether published or unpublished. If successful in your RFP, you must comply with the Intellectual Property Rights language. Changes to this language will **not** be negotiated at any time during the RFP process nor with

the awarded proposer. See Appendix C for the Intellectual Property Rights contract language.

## **E. RFP INFORMATION MEETING**

An information meeting is scheduled for the purpose of reviewing the RFP requirements and for answering questions directly related to the RFP requirements. All costs incurred by individuals attending the information meeting are the sole responsibility of these individuals and will not be reimbursed by CDHS/TCS. The meeting is scheduled as follows:

**March 18, 2004  
Department of Health Services  
Feather River Room, 5<sup>th</sup> Floor, Room 74.551  
1616 Capitol Avenue  
Sacramento, CA 95814  
1:30 p.m. to 5:00 p.m.**

***NOTE: All attendees must check-in at the security guard station in the lobby.***

\*\*\* For directions to CDHS/TCS and parking information, please visit:  
[www.dhs.ca.gov/tobacco/](http://www.dhs.ca.gov/tobacco/) and select "Directions to TCS".\*\*\*

## **F. PROPOSAL SUBMISSION REQUIREMENTS**

### **1. Letter of Intent**

For the purpose of planning the RFP review process, all prospective proposers are encouraged to submit a letter notifying CDHS/TCS of the intent to submit a proposal. This letter is not binding, and proposers may elect not to submit a proposal. Submit one (1) signed letter of intent by March 26, 2004. The letter of intent should be prepared on the proposer's letterhead, signed by an officer of the board, or their agent, and state the following: the name and number of the RFP under which the proposal will be submitted, and the estimated amount to be requested. Email documents will not be accepted. Mail or FAX the letter to:

**California Tobacco Control Section  
ATTN: Marjorie Rogers  
California Department of Health Services  
P.O. Box 997413, MS 7206  
Sacramento, CA 95899-7413  
FAX # (916) 449-5505**

Clearly indicate on the outside of the mailing envelope or the FAX transmittal sheet, "Tobacco Industry Monitoring Evaluation, RFP #03-75879."



## 2. Proposal Submission

**NOTE: All proposers agree in submitting a proposal that CDHS/TCS is authorized to verify any and all claimed information. All proposals received by CDHS/TCS are subject to the provisions of the "California Public Records Act" (Government Code Section 6250 et seq.) and are not considered confidential after completion of the selection process.**

Submit one (1) signed original (clearly marked "original") proposal, eight (8) copies of the entire proposal, and eight (8) copies of a sample report/executive summary. **Proposals and all required copies must be received by 5 p.m. on April 19, 2004, at CDHS/TCS.**

- **FAX copies will not be accepted.** It is the sole responsibility of the applicant to ensure that CDHS/TCS receives the required number of copies of the proposal by the above deadline.
- A late or an incomplete proposal will be considered non-responsive and will not be reviewed for funding.
- No changes, modification, corrections, or additions may be made to the proposal once it is received.
- Postmarks will not be accepted as proof of timely delivery.

Deliver completed proposals to CDHS/TCS, and clearly indicate "Tobacco Industry Monitoring Evaluation (TIME), 03-75879" on the outside of the package or mailing envelope.

U.S. Postal Service (USPS) Delivery Address: If you submit a proposal through USPS, either regular or priority mail, send the package to the following address. **Private shipping companies DO NOT deliver to this address.**

**CDIC/Tobacco Control Section  
ATTN: Marjorie Rogers  
California Department of Health Services  
P.O. Box 997413, MS 7206  
Sacramento, CA 95899-7413  
"Tobacco Industry Monitoring Evaluation," RFP 03-75879**

Hand Delivery or Private Shipping Company Address: If you deliver in person or submit a proposal using a private shipping company (e.g., UPS or FedEx) use the street address below. **The U.S. Postal Service WILL NOT deliver ANY mail to the street address, including priority mail.**

**CDIC/Tobacco Control Section  
ATTN: Marjorie Rogers  
California Department of Health Services  
1616 Capitol Avenue, Suite 74.516  
MS 7206  
Sacramento, CA 95814  
"Tobacco Industry Monitoring Evaluation," RFP 03-75879**

**G. REVIEW PROCESS**

**1. Review for Completeness and Compliance with RFP Requirements**

Proposals will be date and time stamped upon receipt. Each proposal **received by CDHS/TCS by 5 p.m., on April 19, 2004**, will be reviewed for completeness and compliance with the information and instructions provided in this document. Proposals that do not comply with the requirements will be considered non-responsive and excluded from the review. Omission of any required document or form, failure to use the required format for response, or failure to respond to any requirement may lead to the rejection of the proposal prior to peer review. CDHS/TCS reserves the right to waive any deviations it considers to be immaterial.

**2. Review Scoring and Funding Consideration**

a. Proposal Scoring

Proposals will be evaluated by a committee assembled by CDHS/TCS. The Committee may include representatives of LLAs, California AG's Office staff, and survey research experts.

Proposals will be scored on a scale of 0 to 145 points. The maximum point value of each section is as follows:

(1)	Agency Capability	35 points
(2)	Project Narrative	45 points
(3)	Scope of Work (SOW)	30 points
(4)	Sample Report/Executive Summary	15 points
(5)	Budget Justification/Budget	<u>20 points</u>
		<b>145 points</b>

b. Optional Oral Interviews

CDHS/TCS reserves the right, at its sole discretion, to conduct oral interviews with the top ranking proposers to establish the capability of the Proposer. If CDHS/TCS decides to conduct oral interviews, scoring criteria and instructions will be sent under separate cover to the qualifying

proposers. If conducted, the oral interview will be the basis of further consideration of a contract award.

### 3. **Contract Award**

- a. Award of the contract will be to the responsive proposer, who earns the highest total score. CDHS/TCS will release the reward decision on May 14, 2004.
- b. In the event that CDHS/TCS is unable to execute a contract with an initial successful agency, CDHS/TCS reserves the right to award a contract to the proposer that has earned the next highest score and has met the requirements specified in this RFP.
- c. In the event the contract is not accepted by the proposer with the highest score or a contract is awarded to the proposer with the highest score and later terminated, CDHS/TCS may enter into a contract with the available proposer having the next highest score in the review process for performance of remaining contract work.

### 4. **Notification of Award Decision**

All agencies that submitted a proposal for this RFP will be notified of the decision in writing and may receive, upon written request to CDHS/TCS, the consensus review tool summary page of the proposal, which provides the score and overall strengths and weakness of their proposal. If an oral interview and/or site visit are conducted, proposers may upon written request receive a summary of the reviewers' comments of their proposal.

## H. **APPEAL PROCESS**

Only those agencies that submit a proposal consistent with the requirements of this RFP and are not selected may appeal. There is NO appeal process for proposals that are submitted late, non-compliant, or are incomplete. Proposers may not appeal their funding level. Letters appealing the final proposal selection must be **received no later than 5 p.m. on May 21, 2004, at the address indicated below**. (FAX copies are acceptable. Email letters are not acceptable). Appeals shall be limited to the grounds that CDHS/TCS failed to correctly apply the standards for reviewing your proposal in accordance with the RFP. The appellant must file a written appeal, which includes the issue(s) in dispute, the legal authority or other basis for the appellant's position, and the remedy sought.

Appeals must be mailed or faxed to:

Donald O. Lyman, M.D., Chief  
Division of Chronic Disease and Injury Control  
California Department of Health Services  
1616 Capitol Avenue  
P.O. Box 997413, MS 7200  
Sacramento, CA 95833-7413  
FAX number: (916) 449-5707  
Appeal RFP# 03-75879

Clearly indicate "Tobacco Industry Monitoring Evaluation (TIME), 03-75879" on the outside of the mailing envelope or FAX transmittal sheet.

At his sole discretion, the Chief of the Division of Chronic Disease and Injury Control, or his designee, may hold an appeal hearing with each appellant. A decision will be made, either based on the combination of the written appeal letter, and the evidence presented at the hearing, or based on the written appeal letter if no hearing is conducted. The decision of the Chief of the Division of Chronic Disease and Injury Control, or his designee, shall be final. There is no further administrative appeal. Appellants will be notified of decisions regarding their appeal in writing within 15 working days of their hearing date, or the consideration of the written appeal letter, if no hearing is conducted.

#### **I. CONTRACT NEGOTIATION**

Following the contract award notification, contract negotiations will occur with the potential Contractor in a timely manner. CDHS/TCS reserves the right to reject and/or modify any proposed SOW core component(s). Following contract negotiations, the Contractor is required to submit a detailed SOW, Budget, and Budget Justification in accordance with CDHS/TCS requirements, which will become part of the formal contract. Upon completion and approval of these documents, the contract will be fully executed and work shall commence.

#### **J. TENTATIVE TIMELINE**

March 5, 2004	Release of RFP
March 18, 2004	Information Meeting: Sacramento
March 26, 2004	Letters of Intent due by 5 p.m.
<b>April 19, 2004</b>	<b>Proposals due by 5 p.m.</b>
May 14, 2004	Award Decision Posted
May 21, 2004	Appeal Deadline
July 1, 2004	Contract period begins
June 30, 2007	Contract period ends

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## V. ADMINISTRATIVE AND PROGRAM EXPECTATIONS

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Agencies applying for these funds must have the technical expertise to successfully implement the proposed project activities and the administrative ability to manage state grant funds. It is the experience of CDHS/TCS that some proposers are unfamiliar with state procedures, requirements, and expectations. The following information is provided in order that the prospective proposers might assess their ability to enter into a binding contract with CDHS/TCS.

1. The Contractor must expend funds in accordance with the negotiated line item budget. If changes in line items, salary ranges, or staffing patterns need to be made, the Contractor must request a budget revision or a contract amendment depending on what needs to be changed in the budget. CDHS/TCS will determine whether or not to approve the requested changes.
2. The Contractor is reimbursed in arrears for actual expenses, which means the agency or individual incurs expenses and is then reimbursed by CDHS/TCS. The Contractor submits a monthly invoice for expenses incurred in the previous 30 days and then the State has up to 30 days to pay prompt payment stamp recipients and up to 45 days to pay others. This means that the Contractor must be able to cover at least 45 to 60 days worth of project payroll, indirect expenses, and operating expenses prior to reimbursement by the State. Additionally, the Contractor is to submit invoices to CDHS/TCS in a timely manner to ensure: 1) prompt payment of expenses, and 2) cash flow maintenance.
3. All datasets submitted to CDHS/TCS must be timely and in final form.
4. The Contractor must utilize sophisticated analytic techniques in order to place findings in trend and current context of tobacco industry activities. Reports must be readily useful to non-academic public health professionals, and should be edited by Contractor professional staff to ensure accuracy, clarity, and utility.
5. The Contractor must contact CDHS/TCS if it is having difficulties implementing the SOW or needs to make changes in the approved activities. The agency must be aware that it is legally bound to deliver the services as stated in the SOW. This includes conducting the stated number of activities, surveying the sample size, developing the identified survey instruments, providing technical assistance, etc. If changes need to be made in the SOW, the Contractor must contact CDHS/TCS to discuss the issue and request a SOW revision or contract amendment. CDHS/TCS will determine whether or not to approve the request. **If contract deliverables, including Progress Reports, are not completed satisfactorily, CDHS/TCS has the authority to withhold and/or recover payment of funds.**

6. The Contractor must have program staff with the appropriate training and experience to fulfill all program-related contract deliverables and to submit to CDHS/TCS timely, accurate, and complete reports. Because of the breadth and visibility of this project, the Contractor must employ a full-time professional (at the doctoral or masters level) to oversee the project, including review and editing of deliverables.
7. The Contractor must comply with the Competitive Grantee Administrative and Policy Manual. This manual will be incorporated by reference in the contract and, as such, will be a contract document. The manual will be made available to the Contractor.
8. The Contractor must be knowledgeable of standard payroll practices including State and Federal tax withholding requirements.
9. The Contractor must maintain accounting records that reflect actual expenditures including, but not limited to: accounting books, ledgers, documents; payroll records, including signed timesheets, etc., following standard accounting procedures and practices that properly reflect all direct and indirect expenses related to this contract. These records shall be kept and made available for three (3) years from the date of the final contract payment.
10. The Contractor must obtain an annual, single, organization-wide financial and compliance audit. CDHS/TCS will reimburse the Contractor for its proportionate share of the audit expense.
11. The Contractor must obtain prior approval from CDHS/TCS before it is reimbursed for any purchase order, subcontract, or consultant agreement costing \$5,000 or more. Three (3) competitive bids are required as well as other documentation of the bid process. This information, along with the proposed subcontract or consultant agreement, must be submitted to CDHS/TCS for approval prior to reimbursement of such expenses.
12. The Contractor must designate a person within its agency or organization to sign payroll time sheets, requisitions, and invoices.
13. The Contractor must maintain accurate records regarding project implementation which document the number of tobacco industry sponsored events observed, the number of point-of-sale stores surveyed, and the number of other activities conducted, etc. It is expected that these documentation records may include, but will not be limited to: logs, meeting minutes, datasets, tables and summary reports. CDHS/TCS recommends that the Contractor set up documentation files indexed by Core Project Components or major activities. Documents should be filed in the Core Project Component file as activities are completed.

14. The Contractor must have fiscal staff with the appropriate training and experience to insure timely submission of accurate invoices, and maintain the fiscal integrity of the contract, as well as to fulfill payroll, accounting and administrative procedures.
15. The Contractor and all subcontractors should be aware that the State shall be the owner of all rights, title, and interest in, but not limited to, the copyright to any and all Works created, produced, or developed, under a contract funded from this RFP, whether published or unpublished. Appendix E contains the specific language that will be incorporated into the contract. The Contractor and subcontractors must comply with the Intellectual Property Rights language. Review Appendix E carefully. Changes to this language will **not** be negotiated.
16. Travel and per diem rates must not exceed those amounts paid to State non-represented employees. Additionally, out-of-state travel is not reimbursable without prior written approval by CDHS/TCS. Refer to Appendix A.
17. CDHS/TCS may withhold payment of invoices for lack of documented and/or timely progress, as well as any apparent non-compliance with contract requirements.

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## VI. PROPOSAL INSTRUCTIONS

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### A. GENERAL INSTRUCTIONS

1. **READ ALL INSTRUCTIONS CAREFULLY.** Re-check the proposal to ensure completeness.
2. The proposer must demonstrate an understanding of the services to be delivered under the intended contract, the capacity of the agency to carry out the services, and the ability to design and carry out efficient services that are reasonably budgeted. **Do not assume that the reviewers have prior knowledge of the past history of the agency or previous tobacco control programs/services administered by the agency.**
3. **DO NOT PROVIDE ANY MATERIALS THAT ARE NOT REQUESTED.** Any materials submitted that are not requested under this proposal will be discarded prior to proposal review, including pages that go over the maximum number in specified sections with page limitations.
4. Number each page of the proposal consecutively.
5. No less than font size 12 is to be used.
6. Securely staple the proposal in the upper left corner. Folders and binders are **not** desired and **will be discarded**.
7. Attachments 1, 5, and 6 require a signature by the person authorized to legally bind the agency to the commitment outlined in the proposal. **Allow enough time to obtain these required signatures.**
8. Clearly indicate "Tobacco Industry Monitoring Evaluation, RFP 03-75879" on the outside of the mailing envelope.

### B. ORGANIZATION OF THE PROPOSAL

Present the components of the proposal in the order listed below using the instructions provided on subsequent pages to complete each area, except for Proposal Checklist, Attachment 3, which you are not required to submit. View or download attachments and required forms at the intranet site:  
[www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc](http://www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc)

- 1. **Proposal Cover Sheet** (Attachment 1)
2. **Table of Contents** (Attachment 2)



3. **Proposal Checklist** (Attachment 3)
  4. **Agency Capability** (No Attachment, 10 Page Limit)
  5. **Three (3) Letters of Reference** (No Attachment - 3 letters required)
  6. **Project Description**
    - a. Project Narrative (No Attachment)
    - b. Organization Charts (No Attachment)
    - c. Scope of Work (Attachment 4)
  7. **Budget Justification/Budget** (No Attachment)
  8. **Additional Required Forms**
    - a. Agency Documentation Requirements (Attachment 5)
    - b. Certification of Non-Acceptance of Tobacco Funds (Attachment 6)
- = Denotes the document requires a signature by the person authorized to bind the agency. Read the documents and allow time to obtain the required signatures.

## **C. PROPOSAL REQUIREMENTS**

### **1. Proposal Cover Sheet** (Attachment 1)

Item 1: Enter the legal name of the agency. Fill in the project name: Tobacco Industry Monitoring Evaluation. Enter the mailing address that will appear on any subsequent agreement. Enter the name of the county in which the applicant's primary headquarters is located. Enter the contact person's name, phone number, FAX number, and email address. Enter the federal identification number of the agency.

Item 2: Indicates the term of the contract (36 months: 07/01/04 - 06/30/07).

Item 3: Enter the budget amount proposed for the **entire contract term**.

Item 4: The official authorized by the agency to sign on behalf of the agency must sign and date the certification statement provided. Also print the name and title of this individual.

2. **Table of Contents** (Attachment 2)

Proposals must have a table of contents with page numbers referenced. Proposal sections must be presented in the sequence shown on the Proposal Checklist (Attachment 3).

3. **Proposal Checklist** (Attachment 3)

The items included on the checklist are **required** to be submitted as part of the proposal and must be presented in the order noted on this form. **If any items are omitted from the proposal, the proposal will be considered incomplete and out of compliance with this proposal and will not be reviewed.** Complete the attached proposal checklist to ensure that all proposal attachments and required components are included.

***NOTE: The checklist is for your use to ensure a complete package. You are not required to submit the checklist as part of the actual proposal.***

4. **Agency Capability** (No attachment provided, **10 page limit excluding letters of reference**) = 35 points

Answer all of the following questions as they apply to the proposing agency and major subcontractors.

a. Evaluation/Analytic Capabilities

- (1) Describe the primary purpose or function of the proposer, how long the agency has been in existence, the general range of functions the agency has experience in, and how long the agency has been involved in various functions.
- (2) Describe the agency's ability and experience: a) in analyzing marketing and public relations campaigns; b) designing environmental/observation data collection studies using rigorous scientific methods; c) with large scale and complex data collection, data management, and quality control procedures; d) tracking tobacco advertising and promotional activities; e) history of collaboration with other agencies; and f) ability to prepare concise reports suitable for use by non-academic professionals working in public health.
- (3) Describe the agency's ability and experience in collecting tobacco industry data compatible with other state and national data, or with other data on products comparable to tobacco.

- (4) Describe the training and experience of the primary proposed professional staff, full time and part time, and identify who will be involved in what work, with descriptions of duties and qualifications. Describe relevant surveys and publications previously performed by the principal investigator/project director and/or principal investigator/project director of subcontractors. Attach curriculum vitae of primary professional staff.

b. Administrative Capabilities

- (1) Describe the agency's history in the last three years managing contract funds. Describe the funding agency, the amount received, and how the contract(s) was managed, i.e., were the contract deliverables accomplished in a timely manner, were invoices timely and accurate, and were fiscal records in good standing?
- (2) Describe the agency's internal audit history in the past two years. Describe the frequency of audits, date of last audit, and a summary of the major findings from the last audit. If there were any negative findings, discuss corrective actions to address the findings.
- (3) Indicate if the agency has been audited by a State agency within the last two years. If yes, list: a) the name of the State agency; b) State agency contact person and telephone number; c) the year the audit was conducted; and d) the outcome of the audit. CDHS/TCS reserves the right, at its sole discretion, to follow up with the contact person by telephone to confirm the audit history.
- (4) Equipment: Due to limited funds, there will be no equipment approvals for this RFP process. Therefore, agencies must have adequate equipment available for use in this proposed project.

Describe the office and computer equipment the applicant has available for use in this project. Include in the description: a) the number and type of equipment available, e.g. desks, chairs, facsimile machines, personal computers, printers, etc.; b) whether or not the computers have modems and communications software; c) the software packages your agency uses for word processing, spreadsheets, databases, etc.; and, d) approximately when the computer equipment was purchased, and its availability for use in this project, if funded.

Scoring Criteria

Note: Scoring criteria are not eligibility requirements to submit a proposal; rather, they are desirable attributes for receiving a full score.

Funding preference for Agency Capability will be given to proposals that exhibit the following qualifications and experiences:

- Demonstrate at least three years experience analyzing large marketing and public relations campaigns.
- Demonstrate at least five years experience designing environmental observation data collection studies using rigorous scientific methods.
- Demonstrate at least five years experience with large scale and complex data collection, data management, and quality control procedures.
- Demonstrate at least two years of previous experience tracking tobacco industry advertising or promotional activities.
- Demonstrate a history of collaborating with other agencies to maximize resources and expertise while avoiding the duplication of efforts.
- Demonstrate the ability to prepare periodic, concise reports in a timely manner that are suitable for use by non-academic professionals working in public health.
- Demonstrate that proposed professional staff are qualified to conduct the SOW as demonstrated by their training, experience, and publications; and that their time dedicated to this contract is adequate to achieve the expected quality, quantity, and timeliness of deliverables.
- Demonstrate at least three years of satisfactory performance administering fiscal and programmatic management of government grant funds, including timely and accurate submission of fiscal and program documentation, subcontractor documentation, completion of deliverables, which are timely and satisfactory to the funder.
- Demonstrate a history of acceptable fiscal audits.
- Demonstrate the ability to provide offices with adequate equipment to support staff and program needs.

5. **Letters of Reference** (No attachment provided)

Solicit and include three (3) letters of reference. Number these letters consecutively as part of your proposal. The reference letters are to be on agency letterhead and should include the address, phone number, name, and title of the letter's author. **If the agency has in the past, or is currently receiving funding from either a local, state, or federal agency, other than**

**CDHS/TCS, one of the references must be from one of these agencies. Letters are not to be sent directly to CDHS/TCS, and will not be accepted after the proposal is submitted. CDHS/TCS reserves the right to contact these references for further information.** The letters are to be from three (3) separate agencies that can attest to the following:

- a. The agency's ability to provide services as delineated in the proposal;
- b. A description of the capacity in which the reference contact worked with the agency;
- c. Speak to the agency's ability to conduct large scale, complex environmental data studies, manage the data, conduct analyses, prepare reports for a non-academic audience in a timely manner, and collaborate with public health agencies working in the field; and
- d. The agency's fiscal and administrative ability to manage subcontracts and government contract funds.

6. **Project Narrative** (No attachment provided, **20 page maximum**) = 45 points

Answer all the following questions to provide a complete Project Narrative:

- a. For Core Project Components number one through number ten (see Section II, Statement of Work), provide time-limited objective(s) and use the categories in the order shown below to organize and discuss project activities:

**Coordination**

- Describe proposed systematic coordination and collaboration with CDHS/TCS staff and workgroups, CDHS/TCS contractors and/or the AG's Office. (Refer to Section I, Tobacco Monitoring in California).

**Data Collection**

- Describe sampling methods and sample size, including a rationale for selecting the methods. Describe data coding protocols and instruments.
- Describe data collection methods and tests for inter-coder reliability on key variables.
- Describe data management and quality assurance methods, including proposed methods for "cleaning" data in a timely manner.

### **Data Analysis**

- Describe analytic plan in detail, including but not limited to: variables of interest, how comparisons will be made, specific statistical analysis, and models being proposed.
- Discuss the roles and responsibilities of proposed professional staff in developing and editing formal reports suitable for use by non-academic professionals working in public health.

### **Dissemination**

- Describe proposed methods to disseminate findings, including, but not limited to: rapid dissemination of event calendars, tables, and reports to tobacco control projects, presentations, in-depth final reports, and other publications.

### **Dataset Delivery**

- Describe proposed methods to deliver datasets and technical documentation in final form to CDHS/TCS in a timely and efficient manner so that they can be made available for use by CDHS/TCS and external researchers.

- b. For Core Project Component #11, Coordination/Collaboration, describe systematic activities for coordinating and collaborating with various entities and how these strategies will be efficient and prevent duplication of effort.  
*Note: The headings required for the previous Core Project Components are not required in the narrative for this Core Project Component.*
- c. Describe how the proposed communication methods take advantage of electronic communication systems, existing CDHS/TCS workgroups, and teleconferences with CDHS/TCS funded projects.
- d. Organization Chart (No attachment provided)

Provide an agency organization chart that indicates lines of authority and reporting relationships. Provide any supplemental information that defines how staffing will be organized to support major evaluation project components. It must be clear to reviewers which staff member will support each of the project's components and must include an explanation of the roles or functions that each staff person performs.

### Scoring Criteria

Funding preference will be given to the agency that most closely addresses the criteria below:

- Provides time limited objectives for each of the Core Project Components (refer to Section II, Statement of Work).
- Proposes efficient and appropriate survey research methods that describe data collection instruments and protocols, sampling methods and rationale, sample size, inter-coder reliability, data management, quality assurance, and data preparation.
- Proposes a sophisticated analytic plan that will provide statewide results, summaries across datasets, comparisons to national trends or other products, such as alcohol where appropriate, and interpretation of data that are relevant to CDHS/TCS programmatic goals and strategies. The analytic plan should include, but is not limited to: variables of interest, how comparisons will be made, and proposed statistical analysis and models.
- Proposes efficient and appropriate methods and professional staff review to prepare and disseminate tables, reports, and other information about tobacco industry practices suitable for use by non-academic public health professionals for use in planning and implementing strategies to counter recent activities of the tobacco industry.
- Proposes regular communication with CDHS/TCS funded projects to coordinate and prevent duplication of efforts in a manner that takes advantage of electronic communication systems, existing CDHS/TCS workgroups, and teleconferences.
- Proposes a systematic method for collaborating with the AG's Office to document probable violations of the tobacco MSA, STMSA and other state tobacco control laws.
- Proposes efficient and effective methods to provide CDHS/TCS contractors technical assistance on tobacco advertising and promotions, data collection methods, and findings addressing tobacco advertising and marketing issues.
- Proposes timely and efficient methods to deliver the datasets, summaries of analyses, and technical documents in final form to CDHS/TCS so that they can be made available for use by CDHS/TCS and external researchers.

7. **Scope of Work (SOW)** = 30 points  
 (Attachment 4, electronic template also located on  
[www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc](http://www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc))

The SOW provides the basis for contract negotiations, and along with the Budget, becomes a legally binding document. The SOW is referenced in the

contract and is the “road map” that provides the direction, activities, expected outcomes, and deliverables of the project. The approved SOW and any subsequent revision is incorporated and made part of the contract. The SOW can only be changed with prior approval from CDHS/TCS.

All work mentioned in the Project Narrative needs to be included in the SOW. The Cost Proposal and Justification should closely correspond to SOW activities, deliverables, staffing, subcontracts, and timelines.

Complete the SOW using the following instructions. Refer to Attachment 4 for a blank form and Appendix D for a sample SOW. A complete format/template is available on the CDHS/TCS website at:  
[www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc](http://www.dhs.ca.gov/tobacco/documents/TIMEattachments.doc))

Note: When completing the SOW using the template provided on the web page, do **not** attempt to number the pages. Although page numbers do not appear on your computer screen, they are automatically tabulated and appear correctly when the form is printed.

a. Header Information

The header information must be included on every page. Include your agency name and contract number (03-75879). (Note: these two fields do not show up on the attachment or appendix sample, but the fields are available on the template located on the website). Enter your project name. Enter April 19, 2004, for the revision date. Leave Report Period blank.

b. Column 1: Objectives/Activities

**Core Project Component:** At the top of the column state the appropriate Core Project Component (refer to Section II, Statement of Work).

**Objective:** Directly below the Core Project Component, enter the corresponding time-limited objective.

**Activities:** Following each objective, describe the activities to be conducted to achieve the objective. For Core Project Components number one through number 10, group and organize activities using the headings: Coordination, Data Collection, Data Analysis, Dissemination, and Dataset Delivery. Arrange activities chronologically under these headings. Please keep them in the order indicated and do not create your own headings.

Use an annotated outline format for all the Core Project Components to describe the activities, and include the following:



- What will be done (e.g., data collection instrument development, data collection methods, sampling methods, data management, quality assurance, data analyses, collaboration activities, report preparation, dissemination of information and reports, and delivery of datasets to CDHS/TCS).
- How much will be done (ranges are acceptable). Quantify the amount of work to be performed in order to justify the budget request. Indicate the length and frequency of activities, as appropriate.
- Where activities will occur (e.g., location of data collection).

You may include an additional emerging issue(s) in tobacco industry advertising (e.g., promotions, strategies to influence public opinion or policy makers, or other manipulative tactics) not incorporated in the Core Projects Components. Of interest is how the issue/tactic would be monitored and analyzed for programmatic relevance to CDHS/TCS and its contractors.

Note: The sample SOW in Appendix D illustrates the required format and appropriate activities for one objective. The Sample SOW does not specify the quantity, length, frequency or location of activities, or research methods because the proposer must identify or estimate these items in the proposal. After the award is made, the Contractor will submit final sampling and analytic plans.

c. Column 2: Copyright ©

Place a copyright sign (©) next to each deliverable that is subject to copyright laws. This includes data collection instruments and protocols, educational materials and reports. Refer to Appendix C for more information regarding copyright of materials produced and Intellectual Property Rights.

d. Column 3: Percent Deliverable

A deliverable reflects tangible products and services developed or conducted under the contract, such as survey instruments and protocols, data collection and analysis, and reports. Planning steps, attending meetings, staff hiring processes, etc., are not deliverables. For each deliverable, indicate the programmatic value with a percentage that reflects staff and budget resources used to produce that deliverable (inclusive of staff time and proportional support costs, subcontracts, coordination and collaboration activities, and purchased materials or data).

The total of the percentages assigned in the SOW must equal 100 percent, and no project deliverable may be assigned a percentage of less than 0.5 percent. Deliverables specified in the SOW must fully meet the RFP Statement of Work in order for the Contractor to receive the maximum award negotiated with CDHS/TCS.

At the end of the contract, CDHS/TCS will analyze whether any deliverable was not fulfilled in its entirety, or the quality of it was unsatisfactory, and may reduce the maximum amount payable to the Contractor accordingly. The percentage assigned to each deliverable should be determined carefully, as it is used to help determine the maximum amount the contractor should be paid at the end of the contract term.

e. Column 4: Start/End Date

Provide a time frame by giving a start and end date for each activity.

f. Column 5: Who is Responsible

Indicate the staff position, subcontractor, or consultant responsible for each activity. The positions must correspond to the position titles used in the Budget Justification. You may abbreviate position titles (e.g., RS for Research Scientist).

g. Column 6: Tracking Measures

List the items used to document and verify that project activities are completed. Examples include number of tobacco-sponsored events or stores observed, list of materials reviewed, datasets, tables, technical assistance logs, workgroup minutes, correspondence, and postings on listserves or web sites.

h. Columns 7-8: For Progress Report Use Only

Leave blank.

Scoring Criteria

Funding preference will be given to the agency that most closely addresses the criteria below:

- Overall, the SOW provides a well-organized and detailed “road map” of the project that describes:

- What will be done;
  - How much will be done;
  - Designation of CDHS/TCS copyright on products;
  - The percentage of effort appropriated to complete deliverables;
  - Timeline for completion of major activities;
  - Staff, subcontractors, or consultants responsible for the activities; and
  - Appropriate tracking measures.
- Reflects all elements of each Core Project Component in the RFP Statement of Work, and assigns appropriate percent deliverables to support achievement of the objectives.
  - Provides sequential and realistic activities in terms of quantity, scientific rigor, and effectiveness to achieve the objectives in the time period.
  - Provides appropriate survey research methods, data management and quality assurance methods, and a thorough analytic plan.
  - Proposes efficient and appropriate methods to prepare and disseminate tables, reports and other information for non-academic public health professionals.
  - Proposes regular, systematic communication and collaboration with the AG's Office and CDHS/TCS-funded projects to coordinate and prevent duplication of efforts in a manner that takes advantage of electronic communications, existing CDHS workgroups, and teleconferences.
  - Describes Core Project Components number one through number 10 by grouping activities in the following headings in the requested order: Coordination, Data Collection, Data Analysis, Dissemination, and Dataset Delivery.

**8. Sample Report/Executive Summary (15 page maximum) = 15 points**

At the end of the proposal, attach a copy of a sample report/executive summary (not to exceed 15 pages) on tobacco industry advertising and promotional activities, or an analysis of other large marketing and public relations campaigns. The sample report/executive summary should be prepared for a non-academic, program or policy audience. This document must have been prepared or edited by either the proposed project director or the staff person responsible for preparing/editing reports for the proposed project.

### Scoring Criteria

Funding preference will be given to the agency that most closely addresses the criteria below:

- The report/executive summary is written in an appropriate style for a non-academic, program or policy audience.
- Data is presented clearly.
- The analysis includes interpretation of the significance of the data within the context of the social environment and campaign goals.
- The conclusions of the analysis or study provide and insightful interpretation of data and are expressed clearly and forcefully.
- The sample report/executive summary was prepared or edited by either the proposed project director or the staff person responsible for preparing/editing reports in the proposal.
- The topic of the report/executive summary is tobacco industry advertising and promotional activities.

9. **Budget Justification/Budget** (No attachment provided) = 20 points

Funding preference shall be based on the following criteria:

- Proposal reflects a budget that appears reasonable for the quality and quantity of activities in the SOW.
- Proposal reflects personnel salaries and consultant costs that are consistent with comparable State Civil Service positions, or if higher, are justified in terms of additional training, experience, publications, or other qualifications that would add value to the project.
- Proposal reflects a reasonable staff and staffing pattern necessary to complete the Core Project Components and administrative responsibilities of the project.
- Proposal reflects operating expenses that appear reasonable for the quality and quantity of activities in the SOW.
- Proposal reflects a Budget Justification that contains the level of detail required by the RFP instructions, including adequate justification for the expenditures associated with the activities in the SOW.

a. Budget Justification General Instructions

The Budget Justification: 1) describes and justifies the expenditures associated with the activities in the SOW, and 2) helps CDHS/TCS evaluate the SOW and Budget. Please refer to Appendix E for the required Budget Justification format. This format is required to maintain a standardized review and audit trail. Please note – this is only a sample of how to complete the Budget Justification – all figures in the sample are fictitious.

The Budget Justification must be a realistic depiction of the expenses for this contract period. The contract term is for thirty-six (36) months and is anticipated to be effective from July 1, 2004 to June 30, 2007.

When preparing the Budget Justification, take into consideration changes that may occur due to programmatic or administrative needs, i.e., personnel increases/decreases throughout the budget periods, etc.

**Budgets must be prepared and spent on a fiscal year (FY) cycle as required by the State Department of Finance. Funds not spent in one FY will not be available for use in the following FY(s). It is imperative that your agency prepare realistic and accurate FY Budgets based on the timelines and activities in your SOW.**

b. Budget Justification Format

Prepare one Budget Justification for the entire period. Only use whole numbers and round to the nearest dollar. After the Budget Justification has been completed, transfer the totals to the Budget page.

The Budget Justification instructions provide information on standard line item expenses within each of the categories. However, additional line item expenses may be added based on the SOW needs and activities of the proposed project. See Appendix E, Budget Justification Sample.

The Budget Justification must consist of five (5) columns: 1) one narrative column that provides the information requested below for each of the category and line items, 2) three columns depicting the category and line item expenses for each FY period, and 3) one column that displays the Total Expenses.

(1) **Personnel Costs**

This category of the Budget Justification provides detail on the following:

(a) Position Title:

List all position classifications or functional titles for positions for this contract. Management and fiscal personnel (e.g., Executive Director, Deputy Director, Attorney, Bookkeeper, etc.) budgeted at less than ten percent should not be included in the Personnel Costs category, but should be included in the Indirect Expenses category. Any applicant having an established policy that includes such positions in the Personnel Costs category shall so indicate and attach a copy of the policy to the Budget Justification.

(b) Salary Range:

Identify the actual salary range and the frequency of pay periods (monthly, semi-monthly, bi-weekly, weekly, hourly) for each position. The salary range shall reflect the frequency that the employee is actually paid. Do not use annual salaries. Whether part-time or full-time, enter the low-end and high-end of the full-time salary range for each position listed. Make sure the high-end of the salary range allows for any anticipated salary increases (e.g., performance or merit salary adjustments) for each position. Examples of actual salary ranges are: \$2,000-\$2,100 per month, \$800-\$850 per semi-monthly pay period, \$600-\$750 per bi-weekly pay period, \$300-\$375 per week, \$5-\$7 per hour, etc.

Pursuant to Section 3.17.1 of the State Contracting Manual, salaries paid to agency staff shall not exceed those paid to State personnel for similar positions/classifications. See Appendix G for a listing of Comparable State Civil Service Classifications. **If any proposed salary exceeds the State personnel salaries, justify the reason and necessity for the higher rate. Any such justification will receive close review by the State, and must be approved in writing by the State. CDHS/TCS may request additional information during contract negotiations.**

(c) Percent of Time:

For each position indicate the percent of time, in whole numbers, or the total hours per pay period. For example, a full-time bi-weekly employee is 100 percent time, a bi-weekly employee who works 20 hours of a 40-hour workweek is 50 percent time. For hourly employees estimate the total number of hours per pay period (allow for low and high working cycles). If the amount of time for some positions vary from month to month, enter a

percent of time **range** (e.g., 30-40 percent, or 10-20 hours per pay period, etc.).

(d) Pay Periods:

Indicate the number of pay periods for which payment shall be claimed. Pay periods are defined as follows:

Monthly = 12 pay periods per year

Semi-monthly = 24 pay periods per year

Bi-Monthly = 26 pay periods per year

Weekly = 52 pay periods per year

Hourly = "X" number of hours per pay period (*do not use percents of time if a position is paid hourly*).

(e) Description of Duties:

Provide a brief description of the duties, responsibilities, and activities to be performed by each position in support of this contract. Within the description identify the lead staff person responsible for overseeing and coordinating evaluation activities.

(f) Amount Requested:

Calculate and list the dollar amount requested for each position. (Salary X percent of time X number of pay periods = Total for position).

**NOTE: The total amount requested cannot be:**

- ***Less than the lowest dollar amount computed by multiplying the low-end of the salary range by the low end of the percent of time by the lowest number of pay periods, or***
- ***Greater than the highest dollar amount computed by multiplying the high-end of the salary range by the high-end of the percent of time by the highest number of pay periods.***

(g) Total Personnel Costs:

Add all personnel position dollar amounts requested in support of this contract to compute the Total Personnel Costs.

## (2) **Fringe Benefits**

Refer to Appendix H, Contract Uniformity, for specific allowable Fringe Benefits. Please note that Fringe Benefits does **not** include employee leave (e.g., annual leave, vacation, sick leave, holidays, jury duty, and/or military leave training), as these are to be included in each position's salary. List the benefits that your agency provides. If applicable, identify positions that will not receive benefits with an asterisk (\*). List the percentage rate and the dollar amount requested for Fringe Benefits. If the percentage rate for benefits differs for various positions, indicate the low and high range (e.g., approximately 20 to 25 percent).

Total Personnel Expenses

Add the Total Personnel Costs and Fringe Benefits to compute the Total Personnel Expenses.

## (3) **Operating Expenses**

***NOTE: Items (a) and (b) below must appear in every Budget Justification. If there are no expenses related to these line items, please enter zero.***

### (a) TCS Communications Network (PARTNERS):

All funded Contractors are **required** to budget for this item and are required to obtain and maintain an active PARTNERS account. While there is no charge to CDHS/TCS Contractors for the PARTNERS' subscription, your agency must budget for an Internet access-provider. Internet access fees are generally \$20 to \$25 per month. If you choose not to budget for this line item, as the Contractor you must provide an explanation as to how you will access PARTNERS (i.e., agency has local area Network with automatic access to the internet).

### (b) Space Rent/Lease:

Provide the total number of square feet to be charged to this contract and the cost per square foot for personnel/office space. Allow for any anticipated rate increases during the contract term. Multiply these figures by the number of months in the Budget period to obtain the subtotal.

- Personnel/office space: Square footage shall not exceed 150 square feet per full-time equivalent (FTE) plus



reasonable square footage for shared space such as conference rooms, storage space, etc.

Provide the total number of square feet and the budgeted amount to be charged to this contract. Consider any rate increases during the contract term. If the total square footage per FTE exceeds State standards, then justify the need for the additional space.

Example:

2 staff X 150 sq. ft. X \$1.00/sq. ft. X 12 mo. = \$3,600

2 staff X 150 sq. ft. X \$1.25/sq. ft. X 12 mo. = \$4,500

2 staff X 150 sq. ft. X \$1.50/sq. ft. X 12 mo. = \$5,400

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Total for 36 mos. = \$13,500

(c) General Expenses:

Include in this line item expenses for Office Supplies, Postage, Duplicating, and Communications.

(i) *Office Supplies:* This expense is for general office supplies (e.g., pens, pencils, paper, etc.). Equipment, travel expenses, etc., are not considered office supplies.

(ii) *Postage:* This expense is for postage for correspondence and other materials.

(iii) *Duplicating:* This expense is for “in-house” duplicating and reproducing. The duplicating is internal and routine, usually for small office jobs. This can include the proposer’s share of the agency’s copy machine usage. It can also include copier maintenance agreements, copier supplies such as paper, toner, etc. (Duplicating supplies such as paper, and toner may be included in either the Office Supplies line item or the Duplicating line item, but should not be included in both.)

(iv) *Communications:* This expense refers to the installation and any monthly charges related to the telephone system including any 1-800 phone numbers and FAX line costs, etc. **Cellular phones and monthly access fees are not authorized for this contract.** Pagers and monthly fees will

be considered on an individual basis and are dependent upon the need of the applicant and approval of CDHS/TCS.

Add Items (i) through (iv) to compute the Total General Expenses.

(d) Printing:

Printing refers to the costs for printing and reproduction; this is usually for larger jobs completed by outside vendors, e.g., brochures, leaflets, posters, forms, etc. Includes duplication of catalogs, flyers, resource kits, services informational brochures, special mailing materials, as well as, initial production and printing costs for new materials and re-printing of existing materials.

(e) Equipment Rental:

List all rental equipment, quantify each item, and provide for each item the monthly rental rate, number of rental months, and the approximate dollar amount as required for the contract term. Examples of rental items are computer and office equipment.

***NOTE: "Renting/Leasing to own, Purchase/Leaseback, and Lease/Purchase" of equipment is not allowed.***

(f) Audit Expenses:

The Contractor is required to conduct an audit in accordance with the requirements specified in the Federal Office of Management and the Budget (OMB) Circular A-133, entitled "Audits of States, Local Governments, and Non-Profit Organizations." The Budget amount should represent the proportionate amount of this contract in relationship to your business' total revenue. For example, if this contract represents ten percent of the business' total revenue, then this contract would be responsible for no more than ten percent of the total annual audit costs. In the justification, provide the dollar amount allocated for the audit, how you arrived at this figure, the percentage this contract represents of your business' total revenue, and identify the FY in which you operate (e.g., July 1 through June 30). **When combined, this Audit Expense line item plus the Indirect Expenses line item must not exceed 25 percent of your Total Personnel Expenses (Personnel Costs plus Fringe Benefit line item amounts).** Proposers choosing not to allocate funds for audit purposes must provide a

written justification indicating how they intend to comply with the audit requirement.

- (g) Continue to add line items if needed, numbering sequentially following Audit Expenses. Please list them individually and be specific. Provide enough information to justify each additional line item.

Total Operating Expenses: Add all Operating Expense line items in order to compute the Total Operating Expenses.

- (h) Equipment Expenses:

**Due to the limited availability of funds for this RFA, there will be no equipment approvals for the RFA process. Therefore, place a \$0 in the equipment category in the budget justification.**

- (i) Travel/Per Diem and Training:

Travel and training are to be consistent with the needs of the evaluation project and supportive of the SOW. **Travel is reimbursed at the current State Department of Personnel Administration (DPA) rates. See Appendix A, Travel Reimbursement Information. Additionally, State funds may not be used for out-of-state travel, per diem and training/conferences without prior written approval by CDHS/TCS.**

***NOTE: The following line items must appear in every Budget Justification in the order presented here. If there are no expenses related to these line items, enter zero.***

- (i) CDHS/TCS Travel/Training:

- **Project Directors' Meeting (PDM)**

- This event is typically a three-day conference for program and evaluation staff/consultants.
- Budget \$1,200 per person (\$1,000 for travel/per diem and \$200 for registration) for a maximum of two people to attend. The \$1,000 for travel/per diem includes two to three nights of lodging and airfare. The PDM is expected to be held in the Spring of 2005, in Sacramento, California.

- **Evaluation Task Force Meetings:**

- This annual meeting is typically a two-day meeting for contractors to discuss their findings to a group of elite evaluators that advise CDHS/TCS.
- Budget \$750 per person (\$750 for travel/per diem) for a maximum of two people to attend. The \$750 for travel/per diem includes two nights of lodging and airfare.

- **Progress Report Meetings:**

- Budget for the Project Director and one project staff member to attend quarterly progress report meetings over the term of the contract. These meetings should be conducted by telephone where practicable, but will occasionally require face-to-face discussions.

(ii) Out-of-State Travel:

- Use this line item to budget out-of-state trips. Provide the dollar amount requested, the location and dates, number of individuals attending, name of conference, and a brief description, etc. Final approval of any out-of-state travel will be contingent upon participating in the conference as a presenter, panel member, speaker, etc. All out-of-state travel trips not approved through this budget process will require prior written CDHS/TCS approval. The following out-of-state travel is optional during this contract term:

- National Conference on Tobacco or Health:

Budget \$1,400 per person (\$1,100 travel/per diem and \$300 registration) for one to two staff to attend the National Conference on Tobacco or Health.

Budget in Year One only, FY 2004-2005. The preliminary site for the conference is Chicago, Illinois, on May 4-6, 2005.

- World Conference on Tobacco or Health:

Budget \$1,400 per person (\$1,100 travel/per diem and \$300 registration) for one to two staff to attend the World Conference on Tobacco or

Health. Budget in Year Three only, FY 2006-2007. The preliminary site for the conference will be held in Washington, D.C., on July 12-15, 2006.

(j) Subcontracts and Consultants:

- (i) Subcontracts are usually for long term projects needing salaried positions, indirect costs, etc. The subcontractor must provide a specialized task that is directly related to the evaluation project's activities. The subcontractor's salary must not exceed those paid to State personnel for similar positions/classifications. See Appendix G for a list of Comparable State Civil Service Classifications.

**CDHS/TCS must review and approve subcontract agreements costing \$5,000 or more prior to reimbursement. Subcontractor Indirect Costs shall not exceed 25 percent of their Personnel Expenses (Personnel Costs plus Fringe Benefit line item amounts).**

- (ii) Consultants are individuals whose level or area of expertise relating to evaluation project activities extends beyond that possessed by the applicant's staff. Typical services provided by a consultant are advice on programmatic issues (e.g., group facilitator, in-service training, program design and development, program evaluation, etc.). At no time should a consultant's fee exceed the fee of a comparable State Civil Service Classification, inclusive of all costs, but excluding travel/per diem. The rate should be commensurate with the consultant's level of training, expertise and national recognition. **Every effort must be made to negotiate the lowest possible cost.** Refer to Appendix G for a list of Comparable State Civil Service Classifications. Consultants listed in the Budget Justification must also be referenced in the SOW.

For each consultant, provide the consultant name (or descriptive title if consultant is unknown), hourly rate, number of hours to be worked (e.g., per week, per month, per year, etc.), total cost, and description of activities to be performed.

CDHS/TCS must review and approve consultant agreements costing \$5,000 or more prior to reimbursement.

- If Subcontractor/Consultant is Known: Provide the name of the individual or entity, description of activities to be performed, period of time, and total cost for services. List the subcontract(s) that will provide a specialized task that is directly related to evaluation project activities. Subcontractors listed in the Budget Justification must also be referenced in the SOW.
- If the Subcontractor/Consultant is Unknown: Indicate the generic titles, (i.e., survey group, professional writer, etc.), and provide a narrative that describes the activities to be performed, and the amount. Subcontractors listed in the Budget Justification must also be referenced in the SOW.
- Total Subcontract/Consultant: Add all subcontract and consultant line item amounts to compute the Total Subcontract/Consultant.

(k) Other Costs

Additional Expenses:

This line item allows for expenditures that otherwise are not listed in this sample Budget Justification. If you use line items under Additional Expenses, then list them individually and be specific (e.g., educational materials, datasets, market reports, publications). All expenditures for items listed under Additional Expenses must relate to activities in the SOW.

Provide justification and the amount requested for each additional line item.

**Total Direct Expenses:** Add Total Personnel Costs, Total Operating Expenses, Equipment, Travel/Per Diem and Training Expenses, Total Subcontracts, and Total Other Costs to compute the Total Direct Expenses dollar amount requested.

(l) Indirect Expenses:

Indirect Expenses are defined as expenses not directly associated with the agency's deliverables, and **shall not exceed 25 percent of the Total Personnel Expenses line item dollar amount (Personnel Costs plus Fringe Benefits)**. Examples of Indirect Expenses are: management and fiscal personnel (e.g., Executive Director, Deputy Director, Attorney, Bookkeeper),

bookkeeping and payroll services, utilities, building and equipment maintenance, janitorial services, insurance costs, and any expenses related to the mandatory annual Financial and Compliance audit, if not included in the Operating Costs category.

Identify and list all Indirect Expenses to be charged to this contract, and determine the dollar amount proposed. Calculate the Indirect Expenses Percentage Rate (divide the dollar amount requested for Indirect Expenses by the dollar amount requested for the Total Personnel Cost). List the calculated percentage range for Indirect Expenses and the total dollar amount requested.

***Note: Costs associated with the annual Financial and Compliance Audit may either be budgeted in this line item or budgeted in the Audit line item. If audit costs are budgeted in the Audit Expense line item, the Audit Expense line item plus the Indirect Expenses line item must not exceed 25 percent of the of the Total Personnel Costs line item.***

c. Budget Page Instructions

(1) General Budget Instructions

The Budget Sample, Appendix F, is a summary of the expenses described in the Budget Justification. It must be realistic, cost-effective, and appropriate to the proposed SOW. The Budget is the controlling mechanism for expenditures and the basis for approval of invoices.

Prepare one Budget page that reflects the individual budgets for each FY of the contract term. Using the required Budget format provided in Appendix F, Budget Sample, transfer the figures from the Budget Justification for each of the FYs. Only use whole numbers and round to the nearest dollar. The approved Budget will be incorporated into the contract.

(2) Budget Page Format

- (a) The Budget must be a realistic depiction of proposed expenditures. Prepare one budget page for each of the following periods of time. See Appendix F, Budget Sample:

July 1, 2004, to June 30, 2005;  
July 1, 2005, to June 30, 2006; and  
July 1, 2006, to June 30, 2007.

(b) Each of the Budget pages must contain all eight (8) expense categories:

1. Personnel Costs;
2. Fringe Benefits;
3. Operating Expenses;
4. Equipment Expenses;
5. Travel/Per Diem and Training;
6. Subcontract/Consultant;
7. Other Costs; and
8. Indirect Expenses.

- **Prime Contractor (the proposing agency): Indirect expense is 25 percent of Total Personnel Expense (includes total Personnel Costs and Fringe Benefits).**

- **Prime Contractor's Subcontractors: Indirect expense is 25 percent of Total Personnel Expense (includes total personnel and fringe benefits).**

(c) Provide only one Budget page for each FY. If you are unable to itemize the entire complete category on the one page, you are to establish an attachment page, i.e., Attachment I(a), I(b), or I(c). Examples of categories that may require an attachment page are: Personnel, Subcontract/Consultants, and Other Costs categories. Refer to Appendix F for samples of the correct RFP Budget format required.

d. Additional Required Forms

Attachments 5, and 6 require completion/signature by the person authorized to bind the agency. View or download attachments and required forms at the internet site: [www.dhs.ca.gov/tobacco/TIMEdocuments.doc](http://www.dhs.ca.gov/tobacco/TIMEdocuments.doc).

(1) Agency Documentation Requirements (Attachment 5)

(2) Certification of Non-Acceptance of Tobacco Funds (Attachment 6)



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## VII. TABLE OF CONTENTS FOR ATTACHMENTS

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ATTACHMENT	PAGE
1. Proposal Cover Sheet _____	54
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3. Proposal Checklist _____	56
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5. Agency Documentation Requirements _____	58
6. Certification of Non-Acceptance of Tobacco Funds _____	59

**PROPOSAL COVER SHEET**

Tobacco Industry Monitoring Evaluation, 03-75879

**1. AGENCY INFORMATION:**

Agency Name \_\_\_\_\_

Project Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

County \_\_\_\_\_

Contact Person's Name \_\_\_\_\_

Telephone ( ) - FAX ( ) -

E-mail @ \_\_\_\_\_

Federal Identification Number \_\_\_\_\_

**2. TERM OF CONTRACT:** 07/01/04 to 06/30/07**3. TOTAL BUDGET AMOUNT REQUESTED:**

4. The undersigned hereby affirms that the statements contained in this proposal package are true and complete to the best of the applicant's knowledge and accepts as a condition of a contract, the obligation to comply with the applicable state and federal requirements, policies, standards, and regulations. The undersigned recognizes that this is a public document and open to public inspection. Person authorized by the Board to sign (e.g., Board of Directors, etc).

Signature of Agency  
Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name and Title:

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## TABLE OF CONTENTS

ITEM	PAGE
Agency Capability _____	
Letters of Reference _____	
Project Description _____	
1. Project Narrative _____	
2. Organization Chart(s) _____	
3. Scope of Work _____	
Budget _____	
Budget Justification _____	
Additional Administration Requirements _____	
1. Agency Documentation Requirements _____	
2. Certification of Non-Acceptance of Tobacco Funds _____	
Curriculum Vitae of Primary Professional Staff _____	

## PROPOSAL CHECKLIST

The following attachments and components must be completed and submitted in the order shown here. Proposals that are missing any of these attachments or components will be considered non-compliant and will not be reviewed. Please note that you are not required to submit this Proposal Checklist.

<b><u>Proposal Components and Attachments</u></b>	<b><u>Check Mark</u></b>
➤ Proposal Cover Sheet (Attachment 1)	<input type="checkbox"/>
• Table of Contents (Attachment 2)	<input type="checkbox"/>
• Agency Capability (No Attachment, 10 page limit, not including Letters of Reference.)	<input type="checkbox"/>
• Letters of Reference (No Attachment Provided) (3 letters required)	<input type="checkbox"/>
• Project Description	
1. Project Narrative (No attachment provided, 20 page limit)	<input type="checkbox"/>
2. Organization Chart(s) (No attachment provided)	<input type="checkbox"/>
3. Scope of Work (Attachment 4)	<input type="checkbox"/>
• Budget (No attachment)	<input type="checkbox"/>
• Budget Justification (No attachment provided)	<input type="checkbox"/>
• Additional Administrative Requirements	
➤ 1. Agency Documentation Requirements (Attachment 5)	<input type="checkbox"/>
➤ 2. Certification of Non-Acceptance of Tobacco Funds (Attachment 6)	<input type="checkbox"/>
• Curriculum Vitae of Primary Professional Staff (no attachment provided)	<input type="checkbox"/>
<b><u>Proposal Package</u></b>	
• One Original Proposal	<input type="checkbox"/>
• 8 Copies of the Proposal	<input type="checkbox"/>
• 8 Copies of Sample Report/Executive Summary	<input type="checkbox"/>

NOTE: ➤ Denotes the document requires a signature by the person authorized to bind the agency. Read the documents carefully and allow time to obtain the required signatures.

Scope of Work

Project Name:	Revision Date:				Report Period:		
Objectives/Activities	©	%	Start/ End Date			For Progress Report Use Only	
				Who is Responsible	Tracking Measures	Document Number/ Letter	Actual Date(s) Completed

+ On file in office

## AGENCY DOCUMENTATION REQUIREMENTS

The California Department of Health Services may audit contracts at any time. The documentation required for each audit may typically include, but is not limited to the following:

### Fiscal Records

- A. General Ledger, Journals, and Charts of Accounts
- B. Cash Receipts and Disbursements Journal with Supporting Documents
- C. Vendor Invoices to Support Expenditures
- D. Program Remittance Advices from State Controller
- E. Payroll Records, including, but not limited to personnel time sheets signed/dated by the employee and supervisor reflecting actual time worked on program
- F. Travel Log, Employee Expense Claims and appropriate receipts
- G. Billing Records (Program Log)
- H. State and Federal Tax Withholding Records
- I. Financial Statements and Independent Auditor's of County Auditor's Report
- J. Computation of the Fringe Benefit of Fund Sources
- K. Agency wide Budget and Listing of Fund Sources
- L. Copies of Monthly Invoices to the State
- M. Copies of Reimbursement Warrants and Remittance Advices from the State
- N. Administrative Manuals such as Personnel Policies and Procedures, Travel Policies and Procedures

### Program Records

- A. Project Proposal (submitted in response to this Request for Proposal)
- B. Contract and Contract Amendments
- C. TCS Competitive Grantee Administrative and Policy Manual
- D. Progress Reports and the Final Report
- E. Program Audit Reports of Site Visits
- F. Scope of Work
- G. Correspondence Regarding the Contract and/or Subcontracts
- H. Program implementation records that document the number of people served, materials developed activities conducted, etc. These records may include, but are not limited to logs, sign-in sheets, meeting minutes, survey and evaluation data, etc.

### Other Records

- A. Board of Director's Minutes and Articles of Incorporation
- B. Organization Chart (Agency-wide) and Duty Statements
- C. Program Correspondence Files
- D. Other Program Audits of the Facility

*I certify that the above will be available upon request by the CDHS, CDHS/TCS Program/Contract Manager and/or Auditors.*

Director of Agency:

Agency Financial Management Official:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Print Name and Title

## CERTIFICATION OF NON-ACCEPTANCE OF TOBACCO FUNDS

\_\_\_\_\_  
**Company/Organization Name**

Please check one of the following:

☐ The applicant named above hereby certifies that it will not accept funding from nor have an affiliation or contractual relationship with a tobacco company or any of its subsidiaries or parent company during the term of the contract with CDHS/TCS.

☐ Universities/Colleges Only

The Principal Investigator of the university or college named above hereby certifies that he/she has not received funding from nor had an affiliation or contractual relationship with a tobacco company or any of its subsidiaries or parent company within the five (5) years immediately preceding the start date of the contract period. In addition, the Principal Investigator of the university or college named above hereby certifies that he/she will not accept funding from nor have an affiliation or contractual relationship with a tobacco company or any of its subsidiaries or parent company during the term of the contract with CDHS/TCS.

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### CERTIFICATION

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I, the official named below, hereby swear that I am duly authorized to legally bind the Contractor to the above described certification. I am fully aware that this certification, executed on the date below, is made under penalty of perjury under the laws of the State of California.

Director of Agency or Principal Investigator:

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Print Name and Title

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## VIII. TABLE OF CONTENTS FOR APPENDICES

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## TRAVEL REIMBURSEMENT INFORMATION

Effective October 1, 2001

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract.
  - a. Reimbursement shall be at the rates established for non-represented/excluded state employees.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of special assignments.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on page 2 of this exhibit to determine the reimbursement allowance. All lodging must be receipted. If Contractor does not present receipts, lodging will not be reimbursed.

(1) Lodging (with receipts):

<b>Travel Location / Area</b>	<b>Reimbursement Rate</b>
Statewide Non-High Cost Area	\$ 84.00 plus tax
Counties of Los Angeles and San Diego	\$110.00 plus tax
Counties of Alameda, San Francisco, San Mateo, and Santa Clara	\$140.00 plus tax

Reimbursement for actual lodging expenses exceeding the above amounts may be allowed with the advance written approval of the Deputy Director of the Department of Health Service or his or her designee. Receipts are required.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the Contractor will be reimbursed actual amounts spent up to the maximum.

<b>Meal / Expense</b>	<b>Reimbursement Rate</b>
Breakfast	\$ 6.00
Lunch	\$ 10.00
Dinner	\$ 18.00
Incidental	\$ 6.00

- d. Out-of-state travel may only be reimbursed if such travel has been stipulated in the contract and has been approved in advance by the program with which the contract is held. For out-of-state travel, Contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, Contractors must have prior Departmental approval and a budgeted trip authority.

- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on page 2 of this bulletin.
  - f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.
1. If any of the reimbursement rates stated herein are changed by the Department of Personnel Administration, no formal contract amendment will be required to incorporate the new rates. However, CDHS shall inform the Contractor, in writing, of the revised travel reimbursement rates.
  2. For transportation expenses, the Contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
  3. **Note on use of autos:** If a Contractor uses his or her car for transportation, the rate of pay will be 34 cents maximum per mile. If the Contractor is a person with a disability who must operate a motor vehicle on official state business and who can operate only specially equipped or modified vehicles may claim up to 37 cents per mile. If a Contractor uses his or her car "in lieu of" air fair, the air coach fair will be the maximum paid by the State. The Contractor must provide a cost comparison upon request by the state. Gasoline and routine automobile repair expenses are not reimbursable.
  4. The Contractor is required to furnish details surrounding each period of travel. Travel detail may include, but not be limited to: purpose of travel; departure and return times; destination points; miles driven; mode of transportation; etc.
  5. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

#### Travel Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Travel begins at 6 a.m. or earlier and continues until 9 a.m. or later.	Breakfast
Less than 24 hours	<ul style="list-style-type: none"> <li>• Travel period ends at least one hour after the regularly scheduled workday ends, or</li> <li>• Travel period begins prior to or at 5 p.m. and continues beyond 7 p.m.</li> </ul>	Dinner
24 hours	Travel period is a full 24-hour period determined by the time that the travel period begins and ends.	Breakfast, lunch, and dinner
Last fractional part of more than 24 hours	Travel period is more than 24 hours and traveler returns at or after 8 a.m.	Breakfast
	Travel period is more than 24 hours and traveler returns at or after 2 p.m.	Lunch
	Travel period is more than 24 hours and traveler returns at or after 7 p.m.	Dinner

**PARTIAL LIST OF TOBACCO SUBSIDIARY PRODUCTS**  
**Philip Morris / Altria**

**APPENDIX B**  
**Page 1 of 5**

This list is not a comprehensive resource and should not be relied upon to be complete or correct since changes in corporate and product ownership commonly occur.

**BEVERAGES**

**Coffee**

General Foods International Coffees  
Gevalia  
Maxim  
Maxwell House  
Sanka  
Starbucks\*  
Yuban

**Frozen Treats**

Mr. Freeze  
Kool-Aid Slushies

**Powdered Soft Drinks**

Country Time  
Crystal Light  
Kool-Aid  
Tang

**Ready-to-Drink**

Capri Sun\*  
Country Time  
Crystal Light  
Kool-Aid Bursts  
Tang  
Total Balance

**CONVENIENT MEALS**

**Bacon**

Oscar Mayer  
Louis Rich

**Cold Cuts**

Oscar Mayer  
Louis Rich

**Dinner Kits**

Stove Top Oven Classics  
Taco Bell\*

**Frozen Pizza**

California Pizza Kitchen\*  
DiGiorno  
Jack's  
Tombstone

**Hot Dogs**

Oscar Mayer

**Lunch Combinations**

Lunchables

**Macaroni & Cheese Dinner**

Kraft  
Kraft Easy Mac  
Velveeta

**Meat Alternatives**

Boca

**Meat Snacks**

Tombstone

**Pastas and Sauces**

DiGiorno

**CHEESE**

**Cold Pack Cheese**

Woody's

**Cottage Cheese**

Breakstone's  
Knudsen  
Light n' Lively

**Cream Cheese**

Philadelphia  
Temp-tee

**Grated Cheese**

Kraft

**Natural Cheese**

Athenos  
Churny  
Cracker Barrel  
DiGiorno  
Handi-Snacks  
Harvest Moon  
Hoffman's  
Kraft  
Polly-O

**PARTIAL LIST OF TOBACCO SUBSIDIARY PRODUCTS**  
**Philip Morris / Altria**

**APPENDIX B**  
**Page 2 of 5**

This list is not a comprehensive resource and should not be relied upon to be complete or correct since changes in corporate and product ownership commonly occur.

**Process Cheese Loaves**

Kraft Deluxe  
Old English  
Velveeta

**Process Cheese Sauce**

Cheez Whiz

**Process Cheese Slices**

Kraft Deli Deluxe  
Kraft Free Singles  
Kraft Singles  
Kraft 2% Milk Singles  
Velveeta

**Process Cheese Spread**

Easy Cheese

**GROCERY**

**Baking Chocolate/Coconut**

Baker's

**Baking Powder**

Calumet

**Barbecue Sauce**

Bull's-Eye  
Kraft

**Breakfast Beverage**

Postum

**Coating Mix**

Shake 'n Bake  
Oven Fry

**Condiments**

Grey Poupon  
Kraft  
Sauceworks

**Cooked Cereal**

Cream of Wheat

**Cereal Bars**

Nabisco

**Dips**

Kraft

**Dog Biscuits**

Milk-Bone

**Dry Packaged Desserts**

Dream Whip  
D-Zerta  
Jell-O  
Minute

**Energy Bars**

Balance  
Oasis Bars

**Fruit Preservatives**

Ever Fresh

**Frozen Whipped Topping**

Cool Whip

**Ice Cream Topping**

Kraft

**Margarine**

Parkay (Puerto Rico only)

**Pasta Salads**

Kraft

**Pectins**

Certo  
Sure-Jell

**Pickles/Sauerkraut**

Claussen

**Pie Crusts**

Honey Maid  
Nilla  
Oreo

**PARTIAL LIST OF TOBACCO SUBSIDIARY PRODUCTS**  
**Philip Morris / Altria**

This list is not a comprehensive resource and should not be relied upon to be complete or correct since changes in corporate and product ownership commonly occur.

**Ready-to-Eat Cereals**

Post  
 Alpha-Bits  
 Banana Nut Crunch  
 Blueberry Morning  
 Cinna-Cluster Raisin Bran  
 Cranberry Almond Crunch  
 Frosted Shredded Wheat  
 Fruit & Fiber  
 Golden Crisp  
 Grape-Nuts  
 Great Grains  
 Honey Bunches of Oats  
 Honeycomb  
 Nabisco (Puerto Rico only)  
 Natural Bran Flakes  
 Oreo O's  
 Pebbles\*  
 Raisin Bran  
 Shredded Wheat  
 Shredded Wheat 'n Bran  
 Spoon Size Shredded Wheat  
 Toasties  
 Waffle Crisp  
 100% Bran

**Rice**

Minute Rice

**Salad Dressings**

Good Seasons  
 Kraft  
 Seven Seas

**Sour Cream**

Breakstone's  
 Knudsen

**Spoonable Dressing**

Kraft Mayo  
 Miracle Whip

**Steak Sauce, Marinade, Worcestershire**

A. 1.

**Stuffing Mix**

Stove Top

**Toaster Pastries**

Kool Stuf

**Yogurt**

Breyers\*  
 Jell-O  
 Light n' Lively

**Snacks**

Cookies  
 Barnum's Animals  
 Biscos  
 Café Creme  
 Cameo  
 Chips Ahoy!  
 Crispin (Puerto Rico only)  
 Dad's  
 Danish (Puerto Rico only)  
 Famous Chocolate Wafers  
 Family Favorites  
 Old Fashioned  
 Ginger Snaps  
 Honey Bran (Puerto Rico only)  
 Konitos (Puerto Rico only)  
 Lorna Doone  
 Mallomars  
 Marshmallow Twirls  
 Nabisco (Puerto Rico only)  
 National Arrowroot  
 Newtons  
 Nilla  
 Nutter Butter  
 Oreo  
 Peak Freans  
 Pecan Passion  
 Pecanz  
 Pinwheels  
 SnackWell's  
 Social Tea  
 Stella D'oro  
 Sweetie Pie (Puerto Rico only)  
 Teddy Grahams  
 Wild Thornberry's\*

## PARTIAL LIST OF TOBACCO SUBSIDIARY PRODUCTS

### Philip Morris / Altria

This list is not a comprehensive resource and should not be relied upon to be complete or correct since changes in corporate and product ownership commonly occur.

#### Crackers

Air Crisps  
Better Cheddars  
Cheese Nips  
Club Social (Puerto Rico only)  
Crown Pilot  
Doo Dad  
Flavor Crisps  
Harvest Crisps  
Honey Maid  
Nabisco Grahams  
Nabs  
Premium  
Ritz  
Royal Lunch  
SnackWell's  
Stoned Wheat Thins  
Sportz (Puerto Rico only)  
Sultana (Puerto Rico only)  
Triscuit  
Uneeda  
Wheatworth  
Wheat Thins  
Zwieback

#### Ice Cream Cones

Comet Cups

#### Packaged Food Combinations

Handi-Snacks  
Lunchables

#### Refrigerated Ready-to-Eat Desserts

Jell-O  
Handi-Snacks

#### Snack Nuts

Corn Nuts  
PB Crisps  
Planters

#### Sugar Confectionery

Altoids  
Callard & Bowser  
CremeSavers  
Jet-Puffed  
Kraft Caramels  
Life Savers  
Milka L'il Scoops  
Nabisco Fun Fruits  
Terry's  
Tobler

Toblerone  
Trolli

#### Miller Brands\*\*

Miller Beer  
Miller Genuine Draft  
Miller High Life  
Sharp's non-alcohol brew  
Milwaukee's Best  
Meister Brau  
Magnum Malt Liquor  
Henry Weinhard's  
Hamm's  
Olde English 800 Malt Liquor  
Mickey's Malt Liquor  
Red Dog  
ICEHOUSE  
Southpaw  
Leinenkugel  
Celis  
Pale Rider  
Shipyard Export Ale  
Goat Island Ale  
Fuggles Pale Ale  
Old Thumper Extra Special Ale  
Blue Fin Stout  
Longfellow Ale  
Mystic Seaport Pale Ale  
Chamberlain Pale Ale  
Sirius  
Prelude Ale  
Molson  
Foster's Lager  
Sheaf Stout  
Presidente  
Shanghai

#### Wines

Chateau Ste. Michelle  
Columbia Crest  
Domaine Ste. Michelle  
Villa Mt. Eden  
Conn Creek  
Northstar  
Snoqualmie

\*Kraft is the distributor for these brands:

-Breyers is a registered trademark owned and licensed by Unilever, N.V.  
-Capri Sun is a registered trademark of Rudolf Wild GmbH & Co. KG, used under license.  
-California Pizza Kitchen is a trademark owned and licensed by California Pizza Kitchen, Inc.

**PARTIAL LIST OF TOBACCO SUBSIDIARY PRODUCTS**  
**Philip Morris / Altria**

**APPENDIX B**  
**Page 5 of 5**

This list is not a comprehensive resource and should not be relied upon to be complete or correct since changes in corporate and product ownership commonly occur.

- Jenny Craig is a registered trademark of Jenny Craig, Inc., used under license.
- Pebbles is a registered trademark of Hanna-Barbera Productions, Inc. Licensed by Hanna-Barbera Productions, Inc.
- Starbucks is a registered trademark of Starbucks U.S. Brands Corporation.
- Nickelodeon and all related titles, characters and logos are trademarks owned and licensed by Viacom International Inc. All rights reserved.
- Taco Bell is a registered trademark owned and licensed by Taco Bell Corp.

\*\*Altria Group, Inc. holds a 36% economic interest in SABMiller plc as a result of the 2002 Miller Brewing Company merger into South African Breweries plc, which formed SABMiller plc, the world's second-largest brewer.

## INTELLECTUAL PROPERTY RIGHTS

The following are portions of California Department of Health Services, Special Terms and Conditions, Exhibit D(C), that includes Section 3, Intellectual Property Rights, Paragraphs a-e: The Paragraphs are: a) Ownership, b) Retained Rights/License Rights, c) Copyright, d) Patent Rights, and e) Third-Party Intellectual Property. The complete Exhibit D(C) will be provided to the awarded contractor.

### (3) Intellectual Property Rights

#### a. Ownership

- (1) Except where DHS has agreed in a signed writing to accept a license, DHS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement.
- (2) For the purposes of this agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
  - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this agreement. In addition, under this agreement, Contractor may access and utilize certain of DHS' Intellectual Property in existence prior to the effective date of this agreement. Except as otherwise set forth herein, Contractor shall not use any of DHS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHS. **Except as otherwise set forth herein, neither the Contractor nor DHS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this agreement, Contractor accesses any third-party



Intellectual Property that is licensed to DHS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHS in the third-party's license agreement.

- (4) Contractor agrees to cooperate with DHS in establishing or maintaining DHS' exclusive rights in the Intellectual Property, and in assuring DHS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this agreement, Contractor shall require the terms of the agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHS and which result directly or indirectly from this agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHS' Intellectual Property rights and interests.

#### **(4) Retained Rights I License Rights**

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this agreement. Contractor hereby grants to DHS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

#### **(5) Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Section a, subparagraph (2)(a)] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be

deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement.

- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement, shall include DHS' notice of copyright, which shall read in 3mm or larger typeface: " © 2001, State of California, Department of Health Services. This material may not be reproduced or disseminated without prior written permission from the Department of Health Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

#### **(6) Patent Rights**

With respect to inventions made by Contractor in the performance of this agreement, which did not result from research and development specifically included in the agreement's Scope of Work, Contractor hereby grants to DHS a license as described under Paragraph b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the agreement's Scope of Work, then Contractor agrees to assign to DHS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHS in securing United States and foreign patents with respect thereto.

#### **(7) Third-Party Intellectual Property**

Except as provided herein, Contractor agrees that its performance of this agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHS' prior written approval; and (ii) granting to or obtaining for DHS, without additional compensation, a license, as described in Paragraph b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this agreement. If such a license upon the these terms is unattainable, and DHS determines that the Intellectual Property should be included in or is required for Contractor's performance of this agreement, Contractor shall obtain a license under terms acceptable to DHS.

## Scope of Work (Sample)

Project Name:	Revision Date:				Report Period:		
Objectives/Activities	©	%	Start/ End Date	Who Is Responsible	Tracking Measures	For Progress Report Use Only	
						Document Number/ Letter	Actual Date(s) Completed
<p><b>Core Component:</b> Enter the Core Project Component (1-11 sequentially) State an objective immediately following the Core Project Component.</p> <p><b>Headings:</b> Group activities under headings in the following order:</p> <ul style="list-style-type: none"> <li>• Coordination</li> <li>• Data Collection</li> <li>• Data Analysis</li> <li>• Dissemination</li> <li>• Dataset Delivery</li> </ul> <p>List related activities chronologically below each heading.</p> <p><b>Activities:</b> Use an outline format to describe the activities to be conducted to achieve the objective. List these in chronological order. The description should include:</p> <ul style="list-style-type: none"> <li>• what will be done (e.g., develop instruments, pilot test new instruments and protocols, prepare sampling plan, data collection methods, tests for inter-coder reliability, prepare analytic plan, collaborate with XYZ organization to perform a task, prepare report, disseminate ABC information and reports, etc.)</li> <li>• where activities will occur (e.g. location of data collection), and</li> <li>• how much will be done (e.g., sample size).</li> </ul>	<p>Enter the sign “©” if the activity involves development of a product subject to copyright laws, such as a report, manual, etc.</p>	<p>For each program deliverable, indicate a percent between 0.5% and 100% that reflects staff and budget resources</p> <p>This column must total 100 percent.</p>	<p>For each activity, identify the timeline for its completion</p>	<p>Identify who is responsible for each activity. This may include staff, local tobacco project staff, sub-contractors, etc.</p> <p>Please list the position title. If using acronyms, please indicate what the acronym stands for.</p>	<p>List the items used to document and verify that activities are completed.</p> <p>Examples of tracking measures may be completed deliverables (e.g., survey instruments, pilot test results, protocols, data tables, reports, presentations etc.) . Some may document processes (technical assistance log, correspondence via listserve, number of tobacco-sponsored events observed, schedule of workgroup meetings attended, etc.)</p> <p>Some tracking measures, such as meeting notes and others may be kept “on file in office.” Place a plus sign (+) beside the tracking measure you would like to keep on file in your office. <u>These items must be on file in the event of an audit.</u></p>		

+ On file in office

## Scope of Work (Sample)

Project Name: TIME Project	Revision Date: April 19, 2004				Report Period:		
Objectives/Activities	©	%	Start/ End Date	Who Is Responsible	Tracking Measures	For Progress Report Use Only	
						Document Number/ Letter	Actual Date(s) Completed
<b>Core Component: Direct Mail</b> <b>Objective: By June 30, 2007, identify the frequency, reach, types and themes of tobacco company direct mail marketing through catalogues, brand magazines, promotional flyers, coupons and surveys.</b>							
<b>a. Coordination</b>							
1. Develop a sampling plan and data collection protocol, based on types of materials collected and coded by the TIME project in the past, and the data instruments developed by TIME. Provide to TCS for review and feedback.			7/1/04- 9/30/04	Statistician, Project Director, Project Manager	Approved Sampling Plan, Data Collection Protocol		
2. Recruit a sample of at least (xx) smokers located across California who can provide all tobacco company materials received through direct mail on an ongoing basis. Provide training and a plan for reimbursement.			7/1/04- 12/20/04	Data Coordinator	List of recruited smokers+, Training materials and log+, Reimbursement plan+		
<b>b. Data Collection</b>							
1. Collect materials ( <i>frequency</i> ) from smokers for ( <i>length of time</i> ), code them for ( <i>variables of interest</i> ) and enter into a Direct Mail dataset. Clean dataset and develop communication.			1/1/05- 5/30/07	Data Coordinator, Coder	Dataset		
2. At ( <i>locations</i> ) collect catalogues and coupons that request names and addresses of smokers, code and enter into Direct Mail dataset. Note ( <i>other variable(s) of interest</i> ) and enter data in Direct Mail dataset.			1/1/05- 5/30/07	Project Specialist, Data Coordinator, Sub-contractor, Coder	Dataset		

+ On file in office

## Scope of Work (Sample)

Contract Number: 03-75879

Project Name: TIME Project		Revision Date: April 19, 2004			Report Period:		
Objectives/Activities	©	%	Start/ End Date	Who Is Responsible	Tracking Measures	For Progress Report Use Only	
						Document Number/ Letter	Actual Date(s) Completed
3. Request through ( <i>communication methods</i> ) that people send any direct mail materials received from tobacco companies for addition to the database. Code and enter data in Direct Mail dataset.			1/1/05- 5/30/07	Project Director, Project Manager, Coder	Communication log+, Dataset		
<b>c. Data Analysis</b>							
1. Analyze data and prepare tables ( <i>describe variables and analytic plan</i> ).			11/1/05- 6/15/07	Data Coordinator Statistician, Project Manager	Direct Mail tables		
<b>d. Dissemination</b>							
1. Prepare ( <i>quantity</i> ) reports on direct mail ( <i>types of analysis</i> ). Distribute through ( <i>communication methods</i> ).	©	1.0%	Freq. TBD	Research Asst., Data Coordinator, Project Manager, Project Director, Communication Specialist	Reports		
<b>e. Dataset Delivery</b>							
1. Provide TCS with a final copy of the Direct Mail data collection protocol.	©	0.5%	1/15/05	Statistician, Project Manager, Project Director	Direct Mail Protocol		
2. Provide TCS with the Direct Mail data set every three months.	©	1.0%	4/15/05- 4/15/07	Data Coordinator, Project Manager	Direct Mail Dataset		
3. Provide TCS with the final Direct Mail data set.	©	0.5%	6/30/07	Data Coordinator, Project Manager, Project Director	Final Direct Mail Dataset		

## BUDGET JUSTIFICATION SAMPLE

**NOTE: THIS IS A HYPOTHETICAL BUDGET JUSTIFICATION SAMPLE PROVIDED TO GIVE THE APPLICANT AGENCY AN INDICATION OF THE FORMAT AND DETAIL REQUIRED TO JUSTIFY PROPOSED BUDGET EXPENSES. THIS SAMPLE IS ONLY TWO (2) PAGES.**

ABC Evaluation Services, Inc.  
Budget Justification  
July 1, 2004 to June 30, 2007 (36 Months)

### AMOUNT REQUESTED

	Period 07/01/04 to <u>06/30/05</u>	Period 07/01/05 to <u>6/30/06</u>	Period 07/01/06 to <u>12/30/07</u>	<u>Total</u>
<b>A. PERSONNEL COSTS</b>				
<i>The following salaries, percents of time/number of hours per pay periods, and number of pay periods are for illustration only. Please use a method that will closely reflect how your agency monitors its Personnel.</i>				
1. Project Director: (\$4,746-\$5,768 per month) x (100% FTE) x (36 months)	\$54,000	\$54,000	\$54,000	\$162,000
Project Director responsibilities include overall responsibilities for the project and insures timeliness of contract obligations. Responsibilities include overall project planning and management, budget monitoring and revision, liaison with TCS Health Education Consultant and Contract Manager, quality control monitoring/project evaluation, preparation of progress reports, personnel management, and direct supervision. (4,500 X 36 months = \$162,000)				

BUDGET JUSTIFICATION SAMPLE

Period 07/01/04 to <u>06/30/05</u>	Period 07/01/05 to <u>6/30/06</u>	Period 07/01/06 to <u>12/30/07</u>	<u>Total</u>
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C. Operating Expenses

**Note:** The following does not follow in order per Budget Justification instruction, but provides you with another type of sample.

3. General Expenses

a. Office Supplies: Includes routine office supplies, including paper, stationary, business cards, binders, pens, pencils, etc.; labels and envelopes. (\$200 per mo. X 36 mos = \$7,200)	\$2,400	\$2,400	\$2,400	\$7,200
b. Communications: Provides routine telephone service for XX full-time equivalent staff. Costs include a toll-free telephone line for use for agency communication from: TCS, TCS funded projects, and includes for agency usage.				
c. (\$2,000 per mo. X 36 mos = approx. \$72,000)	\$24,000	\$24,000	\$24,000	\$72,000
d. Postage/Shipping: Includes routine mailing/shipping, special mailings to funded projects, postage and shipping of routine correspondence and reports. (\$160 per mo. X 36 months = \$5,760)	\$1,920	\$1,920	\$1,920	\$5,760

**NOTE: CONTINUE IN THIS SAME FORMAT FOR THE REST OF THE BUDGET JUSTIFICATION.**

## BUDGET SAMPLE

Exhibit B, Attachment I (For other years indicate: II, or III)

Budget  
Year 1 (07/01/04 – 06/30/05)

<b>A. Personnel</b>									
<u>Position Title and Number of each</u>	<u>Salary Range</u>	<u>FTE %</u>	<u>Annual Cost</u>						
	\$		\$						
				<b>Total Personnel</b>	\$				
<b>B. Fringe Benefits</b> ([X] % of Personnel)									
				<b>Total Benefits</b>	\$				
<b>C. Operating Expenses</b>									
<u>Expense Description</u>				<u>Cost</u>					
1. TCS Communications Network				\$					
2. Space Rent/Lease:				\$					
a. Agency: ____sq. ft. @ \$ ____ft.				\$					
3. General Expenses				\$					
4. Printing									
5. Equipment Rental									
6. Audit Expenses									
				<b>Total Operating</b>	\$				
<b>D. Equipment</b>									
<u>Equipment Description</u>	<u># of Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>						
1. Not Allowed	0	\$	\$						
				<b>Total Equipment</b>	\$ 0				
<b>E. Travel</b>									
				<b>Total Travel</b>	\$				
<b>F. Subcontract/Consultant:</b>									
1. <u>Name of Subcontractor:</u> ABC Market Survey Corporation (If Subcontractor is <b>known</b> )									
<u>Pers &amp; F.B.</u>	<u>Oper Exp</u>	<u>Equip</u>	<u>Travel</u>	<u>Sub/Con</u>	<u>Other</u>	<u>Indirect</u>	<u>Total Costs</u>		
\$	\$	\$	\$	\$	\$	\$	\$		
Or							<b>Total Costs</b>	\$	
2. <u>Name of Subcontract/Consultant Project</u> (If Subcontractor is <b>unknown</b> ):									
Database Consultant						\$			
						<b>Total Subcontract/Consultant</b>	\$		
<b>G. Other Costs</b>									
<u>Item Description</u>				<u>Estimated Cost</u>					
1. Educational materials				\$					
				<b>Total Other Costs</b>	\$				
<b>H. Indirect Costs</b> (25% of Personnel Cost and Fringe Benefits)									
				<b>Total Indirect Costs</b>	\$				
				<b>Total Costs</b>	\$				



The following is the sample attachment for the Personnel Category:

Exhibit B, Attachment I (a), Personnel (For other years indicate II or III)

Budget  
Year 1 (07/01/04 – 06/30/05) – Twelve Months

**A. Personnel:**

Position Title and Number of Each	Salary Range	FTE%	Annual Cost
Project Director (1)	\$5,415 - \$6,582	10-50%	\$ 19,000
Statistician (1)	\$4,960 - \$5,984	5-15%	\$ 7,000
Project Manager (1)	\$4,194 - \$5,243	100%	\$ 57,000
Project Specialist (2)	\$3,110 - \$4,346	50-100%	\$ 70,000
Research Assistant/Analyst (2)	\$4,111 - \$4,997	25-50%	\$ 41,000
Data Management Coordinator (1)	\$2,994 - \$3,465	100%	\$ 39,000
Data Management Specialist (1)	\$2,632 - \$4,155	100%	\$ 33,000
Administrative Assistant (1)	\$3,418 - \$4,347	50-100%	\$ 36,000
Bilingual Data Coder (5)	\$12/Hour - \$12/Hour	1-10Hrsr/2-Wks	\$ 8,000

Total Personnel

Cost: \$ 310,000

The following is the sample attachment for the Subcontract/Consultant Category:

Exhibit B, Attachment I (b), Subcontract/Consultant (For other years indicate II or III)

Budget  
Year 1 (07/01/04 – 06/30/05) – Twelve Months

**E. Subcontract/Consultant:**

1. ABC Market Survey Group Corporation

Pers & F.B.	Oper.	Equip.	Travel	Sub/Con	Other Costs	Indirect	Total Costs
\$ 5,000	\$1,000	\$ -	\$350	\$ -	\$250	\$1,250	\$ 7,850

2. Franklin Program Enterprises

Pers & F.B.	Oper.	Equip.	Travel	Sub/Con	Other Costs	Indirect	Total Costs
\$ 6,000	\$1,250	\$ -	\$500	\$ -	\$250	\$1,500	\$ 9,500

3. Point-of-Sale Advertising Consultant \$ 8,000

4. Store Advertising Consultant \$ 2,000

5. Market Research Specialist \$ 10,000

Total Subcontract/Consultant Costs: \$ 37,350

The following is the sample attachment for the Other Costs Category:

Exhibit B, Attachment I (c), Other Costs (For other years indicate II or III)

Budget  
Year 1 (07/01/04 – 06/30/05) – Twelve Months

**F. Other Costs:**

Item Description	Estimated Cost
1. Educational Materials	\$ 1,000
2. Publications	\$ 2,000
3. Market Reports	\$ 5,000
4. Datasets	\$ 1,000

Total Other Costs: \$ 9,000

**APPENDIX G****COMPARABLE STATE CIVIL SERVICE POSITIONS**

STATE CLASSIFICATION TITLE	COMPARABLE TITLE	COMPARABLE MONTHLY SALARY
Research Scientist III	Project Director	\$5,415 - \$6,582
Research Scientist II	Statistician	\$4,960 - \$5,984
Health Education Consultant II	Project Manager	\$4,194 - \$5,243
Health Education Consultant I	Project Specialist	\$3,110 - \$4,346
Associate Governmental Program Analyst	Research Assistant/Analyst	\$4,111 - \$4,997
Assistant Information Systems Analyst	Data Management Coordinator	\$2,994 - \$3,465
Staff Services Analyst	Data Management Specialist	\$2,632 - \$4,155
Administrative Assistant I	Administrative Assistant	\$3,418 - \$4,347
Student Assistant	Bilingual Data Coder	\$12/Hour - \$12/Hour

## **CONTRACT UNIFORMITY**

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, the Department of Health Services sets forth the following policies, procedures, and guidelines regarding fringe benefits.

1. As used in this agreement with reference to State and/or federal funds, fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
2. As used herein, fringe benefits do not include:
  - a. Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty, and/or military leave/training.
  - b. Director's and executive committee member's fees.
  - c. Incentive awards and/or bonus incentive pay.
  - d. Allowance for off-site pay.
  - e. Location allowances.
  - f. Hardship pay.
  - g. Cost-of-living differentials.
3. Specific allowable fringe benefits include:
  - a. Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental, and vision), unemployment insurance, workers compensation insurance and the employers portion of pension/retirement plans provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
4. To be an allowable fringe benefit, the cost must meet the following criteria:
  - a. Be necessary and reasonable for the performance of the contract.
  - b. Be determined in accordance with generally accepted accounting principles.
  - c. Be consistent with policies that apply uniformly to all activities of the Contractor.
5. It is agreed by both parties that any and all fringe benefits shall be at actual cost.
6. Earned/accrued Compensation.
  - a. Compensation for vacation, sick leave, and holidays is limited to that amount earned/accrued within the contract term. Unused vacation, sick leave, and holidays earned from periods prior to the contract period cannot be claimed as allowable costs (See example on page 2).
  - b. For multiple year contracts, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the contract. Holidays cannot be carried over from one contract year to the next. (See example on page 2).
  - c. For single year contracts, vacation, sick leave, and holiday compensation which is earned/accrued but not paid, due to employee(s) not taking time off within the contract term, cannot be claimed as an allowable cost (See example on page 2).

**Contract Uniformity**  
**Earned/Accrued Compensation Examples**

Example No. 1:

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a contract period of one year. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of the State contract term, the Contractor during a one-year contract term may only claim up to three weeks of vacation and twelve days of sick leave actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the contract are not an allowable cost.

Example No. 2:

If during a three-year (multiple year) contract John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

Example No. 3:

If during a single year contract, John Doe, works fifty weeks and uses one week of vacation and one week of sick leave and all fifty-two of these weeks have been billed to the State, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

## ***Legislative and Master Settlement Agreement Language Pertaining to Sponsorship and Sampling***

### **California Business and Professions Code section 17537.3 (Prohibited Acts Concerning Advertising of Smokeless Tobacco Products)**

The following acts are prohibited:

(c) For any person by any means, as part of an advertising plan or program, to distribute free samples of smokeless tobacco products within a two block radius of any premises or facilities whose primary purpose is directed toward persons under the age of 18 years including, but not limited to, schools, clubhouses, and youth centers, when those premises are being used for their primary purposes.

### **Health and Safety Code section 118950 (Sampling on Public Grounds)**

**118950.** (a) The Legislature hereby finds and declares the following: (1) Smoking is the single most important source of preventable disease and premature death in California. (2) Smoking is responsible for one-quarter of all death caused by fire. (3) Tobacco-related disease places a tremendous financial burden upon the persons with the disease, their families, the health care delivery system, and society as a whole. (4) Despite laws in at least 44 states prohibiting the sale of tobacco products to minors, each day 3,000 children start using tobacco products in this nation. Children under the age of 18 years consume 947 million packages of cigarettes in this country yearly. (5) The earlier a child begins to use tobacco products, the more likely it is that the child will be unable to quit. (6) More than 60 percent of all smokers begin smoking by the age of 14 years, and 90 percent begin by the age of 19 years. (7) Use of smokeless tobacco products among minors in this state is increasing. (8) Smokeless tobacco or chewing tobacco is harmful to the health of individuals and may cause gum disease, mouth or oral cancers, increased tooth decay and leukoplakia. (9) Tobacco product advertising and promotion are an important cause of tobacco use among children. More money is spent advertising and promoting tobacco products than any other consumer product. (10) Distribution of tobacco product samples and coupons is a recognized source by which minors obtain tobacco products, beginning the addiction process. (11) It is the intent of the Legislature that keeping children from beginning to use tobacco products in any form and encouraging all persons to quit tobacco use shall be among the highest priorities in disease prevention for the State of California. ***(b) It is unlawful for any person, agent, or employee of a person in the business of selling or distributing smokeless tobacco or cigarettes from engaging in the nonsale distribution of any smokeless tobacco or cigarettes to any person in any public building, park or playground, or on any public sidewalk, street, or other public grounds, or on any private property that is open to the general public.*** (c) For purposes of this section: (1) "Nonsale distribution" means to give smokeless tobacco or cigarettes to the general public at no cost, or at nominal cost, or

to give coupons, coupon offers, or rebate offers for smokeless tobacco or cigarettes to the general public at no cost or at nominal cost. Distribution of tobacco products, coupons, coupon offers, or rebate offers in connection with the sale of another item, including tobacco products, cigarette lighters, magazines, or newspapers shall not constitute nonsale distribution. (2) "Smokeless tobacco" means: (A) a loose or flat, compressed cake form of tobacco that may be chewed or held in the mouth; or (B) a shredded, powdered, or pulverized form of tobacco that may be inhaled through the nostrils, chewed, or held in the mouth. (3) "Public building, park, playground, sidewalk, street, or other public grounds" means any structure or outdoor area that is owned, operated, or maintained by any public entity, including, but not limited to: city and county streets and sidewalks, parade grounds, fair grounds, public transportation facilities and terminals, public reception areas, public health facilities, public recreational facilities, and public office buildings. (4) "Private property that is open to the general public" means any structure or outdoor area that is owned, operated, or maintained by any private entity and that is open for entry or use by the general public, whether or not a fee or charge is imposed for entry or use. (d) Any person who violates this section shall be liable for a civil penalty of not less than two hundred dollars (\$200) for one act, five hundred dollars (\$500) for two acts, and one thousand dollars (\$1,000) for each subsequent act constituting a violation. Each distribution of a single package, coupon, coupon offer, or rebate offer to an individual member of the general public in violation of this section shall be considered a separate violation. (e) Neither this section nor any other provision of law shall invalidate an ordinance of, or prohibit the adoption of an ordinance by, a city or county regulating distribution of smokeless tobacco or cigarette samples within its boundaries that is more restrictive than this section. An ordinance that imposes greater restrictions on the sale or distribution of tobacco than this section shall govern, to the extent of any inconsistency between it and this section. (f) This section does not apply to any public building, park, playground, sidewalk, street, or other public grounds, or any private property that is open to the general public where minors are prohibited by law. This section also shall not apply to any public building, park, playground, sidewalk, street, or other public grounds open to the general public and leased for private functions where minors are denied access by a peace officer or licensed security guard on the premises. (g) This section does not apply to any private property that is open to the general public where minors are denied access to a separate nonsale distribution area by a peace officer or licensed security guard stationed at the entrance of the separate nonsale distribution area and the separate nonsale distribution area is enclosed so as to prevent persons outside the separate nonsale distribution area from seeing the nonsale distribution unless they undertake unreasonable efforts to see inside the area.



**Master Settlement Agreement (MSA) and Smokeless Tobacco Master Settlement Agreement (STMSA)**

<http://caag.state.ca.us/tobacco/msa.htm>  
<http://caag.state.ca.us/tobacco/ssa.htm>

***Definitions of terms used (which differ slightly in both agreements) are in Section II of each. The following provisions in Section III are common to both documents.***

**Section III**

- (a) **Prohibition on Youth Targeting** No Participating Manufacturer may take any action, directly or indirectly, to target Youth within any Settling State in the advertising, promotion or marketing of Tobacco Products, or take any action the primary purpose of which is to initiate, maintain or increase the incidence of Youth smoking within any Settling State.
- (b) **Limitation of Tobacco Brand Name Sponsorships**
- (1) **Prohibited Sponsorships** After the MSA Execution Date, no Participating Manufacturer may engage in any Brand Name Sponsorship in any State consisting of:
- (A) concerts; or
  - (B) events in which the intended audience is comprised of a significant percentage of Youth; or
  - (C) events in which any paid participants or contestants are Youth; or
  - (D) any athletic event between opposing teams in any football, basketball, baseball, soccer, or hockey league.
- (2) **Limited Sponsorships**
- (A) No Participating Manufacturer may engage in more than one Brand Name Sponsorship in the States in any twelve-month period (such period measured from the date of the initial sponsored event).
- (3) **Related Sponsorship Restrictions** With respect to any Brand Name Sponsorship permitted under this subsection (c):
- (A) advertising of the Brand Name Sponsorship event shall not advertise any Tobacco Product (other than by using the Brand Name to identify such Brand Name Sponsorship event);
  - (B) no Participating Manufacturer may refer to a Brand name Sponsorship event or to a celebrity or other person in such an event in its advertising of a Tobacco Product.

- (4) Corporate Name Sponsorships Nothing in this subsection (c) shall prevent a Participating Manufacturer from sponsoring or causing to be sponsored any athletic, musical, artistic, or other social or cultural event, or any entrant, participant or team in such event (or series of events) in the name of the corporation which manufactures Tobacco Products, provided that the corporate name does not include any Brand Name of domestic Tobacco Products.
- (c) **Elimination of Outdoor Advertising and Transit Advertisements** Adult-Only Facilities. To the extent that any advertisement advertising Tobacco Products located within an Adult-Only Facility constitutes Outdoor Advertising or a Transit Advertisement, this subsection (d) shall not apply to such advertisement, provided such advertisement is not visible to persons outside such Adult-Only Facility
- (d) **Prohibition on Payments Related to Tobacco Products and Media** No Participating Manufacturer may, beginning 30 days after the MSA Execution Date, make, or cause to be made, any payment or other consideration to any other person or entity to use, display, make reference to or use as a prop any Tobacco Product, Tobacco Product package, advertisement for a Tobacco Product, or any other item bearing a Brand Name in any motion picture, television show, theatrical production or other live performance, live or recorded performance of music, commercial film or video game ("Media"); provided, however, that the foregoing prohibition shall not apply to: (1) Media where the audience or viewers are within an Adult-Only Facility (provided such Media are not visible to persons outside such Adult-Only Facility); (2) Media not intended for distribution or display to the public; or (3) instructional Media concerning non-conventional cigarettes viewed only by or provided only to smokers who are Adults.
- (e) **Ban on Tobacco Brand Name Merchandise** Beginning July 1, 1999, no Participating Manufacturer may, within any Settling State, market, distribute, offer, sell, license or cause to be marketed, distributed, offered, sold or licensed (including, without limitation, by catalogue or direct mail), any apparel or other merchandise (other than Tobacco Products, items the sole function of which is to advertise Tobacco Products or written or electronic publications) which bears a Brand Name.
- (f) **Ban on Youth Access to Free Samples** After the MSA Execution Date, no Participating Manufacturer may, within any Settling State, distribute or cause to be distributed any free samples of Tobacco Products except in an Adult-Only Facility. For purposes of this Agreement, a "free sample" does not include a

Tobacco Product that is provided to an Adult in connection with: (1) the purchase, exchange or redemption for proof of purchase of any Tobacco Products (including, but not limited to, a free offer in connection with the purchase of Tobacco Products, such as a "two-for-one" offer), or (2) the conducting of consumer testing or evaluation of Tobacco Products with persons who certify that they are Adults.

**Other States, Sampling:**

**RESTRICTIONS ON DISTRIBUTION OF TOBACCO PRODUCT SAMPLES**

Tobacco Product Samples: Forty-five states and the District of Columbia restrict the distribution of free samples of tobacco products. Texas prohibits the distribution of tobacco samples or coupons to minors and prohibits samples and coupons from being distributed through the mail or courier delivery. Idaho, Minnesota, and Rhode Island ban the distribution of promotional samples to the general public at no cost or nominal cost. Minnesota and Massachusetts allow an exception for single-serving samples distributed in tobacco stores. Nebraska bans samples, coupons, and rebate offers for smokeless tobacco products, and prohibits licensees from giving or furnishing cigarettes to minors. Seventeen states and the District of Columbia restrict where free samples may be distributed. For example, California, the District of Columbia, Utah, and Wisconsin prohibit giving away samples in public places. Nine states – Arkansas, Georgia, Hawaii, Iowa, Kansas, Oklahoma, South Dakota, Tennessee, and Washington -- prohibit the free distribution of tobacco to persons under 18 and within a certain distance of a school, playground, or other location used primarily by people under 18. Twenty-nine states ban the free distribution of tobacco product samples to minors only. (Please note the Iowa law is currently not enforced due to legal challenges).